Subodh Journal of Commerce and Management

Contents

From the Editor's Desk….

A thought that has been enduring in mind when it becomes real; is truly an interesting and exciting experience. It has been an excellent journey right from the inception of idea of publication of Journal until today when the idea has got materialized.

It is with great pride, enthusiasm and anticipation that I invite you to read the inaugural issue of the "Subodh Journal of Commerce and Management". SJCM is an academic journal that examines the intersection of economics, banking, management, accounting, human resource, marketing, international business, production, finance and law. It is quarterly peer reviewed international journal. Our expedited review process allows for a thorough analysis by expert peer – reviewers with in a time line that is much more favorable than many other academic publications.

Eventually, I would like to offer a word of thanks to our Principal- "Prof K.B. Sharma" who has given me an opportunity to be an Editor of SJCM and to explore the field of research. I would also like to thank our contributors, readers and editorial board without whose support it was impossible.

Authors are invited to submit their quality work any time throughout the year to ensure consistency and success of the journal.

We welcome your suggestions and comments. Please feel free to email at- editorssjcm@gmail.com.

Dr. Neel Kamal Purohit
Editor-in-Chief

Message

I am delighted to celebrate the launch of Subodh Journal of commerce and Management, a new peer-reviewed journal that publishes original research in the field of banking, management, Human Resource management, Corporate Strategy, Marketing Management, Sales Management, Organisational behaviour and so on. The Journal encompasses today a broad set of areas and topics, that are thriving not only within itself but also in terms of its impact on several other fields. It features articles in distinct categories, including regular, brief, and survey papers, technical communiqués, correspondence items, as well as reviews on published books of interest to the readership. It will occasionally publish special issues on emerging topics of interest to a broader audience. I wish both the Chief editor and team members' good luck for the success of the journal.

N. R. Kothari
President
Subodh Shiksha Samiti

Message

It is a tremendous honor for me to welcome you all to the first issue of Subodh Journal of Commerce and Management. The journal is intended to provide the young researchers and scholars a platform to express their views and discoveries in several areas and present their perspective on the latest issues related to banking, economy, management and so on. The journal also welcomes the intellectual activities of the experts of the related areas. In addition, the main focus of the journal will continue to be to publish the highest quality research on commerce and Management with a particular emphasis on quality research in several fields related to this area.As the success of any journal is built primarily on the contributor, the reviewers,the associate editors and the publication staff, I express my sincere appreciation for the hard work and dedication of the whole team and wish their endeavors my very best.

S. S. Bothra
Hon. Secretary
Subodh Shiksha Samiti

Message

It gives me great pleasure to welcome you to the first edition of Subodh Journal of Commerce and Management .The journal is established with a goal to create a new forum for exchange of information on all aspects of the related fields such as Banking, Accounting, Human resources, Economics and so on. It also provides an important forum to address critical issues in the above mentioned field, exchange new ideas and disseminate the latest developments in basic research related to them . This unique journal aims at bridging the gap between practitioners and academics, to the mutual benefit of both sides. It communicates practitioners' research priorities and interests to academics. The journal is truly global source journal which is reflected in the varied national and cultural origins of the contributors, as well as the topics and case studies covered. All our editorial board members are experts in terms of their interests and range of specialization. The validated academic background that our editors bring to bear on the quality of the review fosters a uniquely different editorial experience. I am sure that it will become the primary platform for researchers to share their findings and to discuss all aspects of their respective field which will help in the development and benefit of the national and international community. I wish the team good luck for success and to welcome more submissions for future issues of the journal.

R. C. Jain
Convenor
S. S. Jain Subodh P. G. (Autonomous) College

From the Principal's Desk……………………….

"Imagination is more important than knowledge. Knowledge is limited. Imagination encircles the world."

-Albert Einstein

It gives me immense pleasure to pen a few words as prologue to our Subodh Journal of Commerce and Management (SJCM) exclusively meant for churning out the research talent and to make building stones out of the building blocks. This provides a platform to researchers to contribute their original research work in the areas of Commerce and Management. SJCM is a peer reviewed bi-annual international journal. SJCM maintains proper format and keeps only original research work. I congratulate all the editorial board for bringing out this presentation of thoughts, insights and ideas of researchers. I also congratulate contributors for contributing their original research work for making it successful.

Prof. K.B. Sharma
Principal
S. S. Jain Subodh P. G. (Autonomous) College

INNOVATION IN PUBLIC SERVICE OF HEALTH:
A CASE STUDY WITH FOCUS ON CLIENT'S RECEPTION

Natália Talita Araújo Nascimento. Graduate in Administration by the Federal University of Rondônia (UNIR), and Member of the Research Group on Management of Innovation and Technology (GEITEC). Student in the Program of Doctorate in Regional Development and Environment (PGDRA) / UNIR, Brazil.

José Delcias Moura dos Santos. Graduate in Administration by the Federal University of Rondônia (UNIR), and Collaborator of the Research Group on Management of Innovation and Technology (GEITEC), Brazil.

Anderson Emanuel Cantanhêde. Graduated in Administration by the Federal University of Rondônia (UNIR), and Collaborator of the Research Group on Management of Innovation and T Technology (GEITEC), Brazil.

Flávio de São Pedro Filho. PhD in Administration from the University of São Paulo, Brazil. Doctor in Business Management from the University Autónoma de Assunción, Paraguay. Professor of Innovation and Sustainability on the Post-Graduate Programme in Administration (PPGMAD) of the Federal University of Rondônia (UNIR), where he is   Coordinator of the Research Group on the Management of Innovation and Technology (GEITEC)/UNIR/CNPq, Brazil. Is Post Doctoral Researcher in Management and Economics, focusing on strategy management for innovation and sustainability, at the University of Beira Interior, Covilhã, Portugal.

Dr. Neel Kamal Purohit. Associate Professor,   Department of Accountancy & Business Statistics, S S. Jain Subodh P. G. (Autonomous) College Jaipur, India. International Collaborator of the Research Group on Management of Innovation and Technology (GEITEC), Brazil.

ABSTRACT

The present paper studies the causal relationship between the confrontation of environment and individual defended by Contingency Theory of Management in the public health government services organizations.   This study demonstrates the research, analysis and results obtained through the development and application of scientific methods of qualitative nature, with procedures of questionnaires applying, in location of investigations and a support by a group of focus; the theoretical and conceptual bases on the subject were collected and then confronted with the facts observed in the researched organization. Consequently, the improvements initiatives and the adequacy of the process were proposed in order to contribute to the actions of innovation development that seek to improve the performance of activities by the efficient application of the available resources. The results of individual behavioral are described after investigating in the context of the processes of reception of patients and the service delivery. The participation of social actors in the interaction with the public body in order to infer in the (attendence) and quality of service delivery is analyzed. Following the scientific recommendations, the citizen participation in the projects can improve this process. This research activity contributes as an academic tool for the improvement of reception and the service offered by public institutions. The report findings and suggestions developed from the data analysis obtained from employees delivering reception and the service users, will be used to diagnose the necessities and opportunities aiming the elaboration of government policies for the process of community development.

1. INTRODUCTION

The paper focuses on the public service delivery, provided by a government health sector of of Porto Velho City, Rondonia, Brazil. The methodology and procedure of case study analysis is implemented to understand the innovative actions and ways of compliance in the institution are studied. The purpose is to seek the quality improve in the current service provided to the public. The question to be answered here is: What is a contribution of innovation processes to the reception and the service delivery in organizations of public health?

The present work aims to study the influences of innovative actions in the quality of public service delivery by health organizations. And to meet this general objective, specific objectives were proposed: (1) to analyze the current conditions of service to the public in the research institution: (2) to conduct theoretical and conceptual confrontation with the data obtained in research and: (3) to introduce measures suitability for the quality of service.

2. THEORETICAL AND CONCEPTUAL REVIEWS

The theoretical constitutions of Administration developed by questioning the concepts, seeking adjustments in the weaknesses and inconsistencies in existing approaches; geared to the best management practices of organizations. While evaluating different effective models of organizational structure from Classical Theory, the Contingency Theory is described as the exposure of the existence of a functional relationship between environment conditions and appropriate administrative techniques for the effective range of the organization's objectives, which directs its concepts for flexibility and agility, determining that there is no absolutism in organizations (Chiavenato (2003).

Chiavenato (2003) describes the organization as a "social entity composed of people and resources, deliberately structured and oriented to achieve a common goal." Overlooking the issue to direct the attendance in a base theory, Chiavenato (2003) also describes the organization as a "social entity composed of people and resources, deliberately structured and oriented to achieve a common goal." Overlooking the issue to direct the delivery of services in our base theory, we found the support of Contingency Theory applies better to the correlation between human resources and organizational effectiveness.

2

2.1 Analysis of public services delivery in government institutions

In this item and it is sub items the theoretical insights that involve the service delivery to the public as the innovation approach are presented, relating the legal descriptions, bureaucratic and of delivery in the context of the public sphere.

2.1.1 Morality and efficiency principles

Madeira (2008) sets that the moral can be conceived as a set of shared values among members of the community at determined epoch. Thus, it is perceived the role of the morality in the social context, when defines the values that guide the action of the individual, establishing duties for himself through his own consciousness. He also states that the role of the administrator, to do not configure violation of the administrative morality, should therefore; always concentrate himself at the end desired by the public Administration, which is the common good.

The principles of morality and efficiency were introduced in the Brazilian Constitution by the Constitutional Amendment No. 19, of June 5, 1998. It preaches the duty of the Public Administration as a ruler being in order to manage resources, inputs, people and materials, as well as finance with proper optimization. Thus, it is necessary to use these means to meet the purposes of public interest. Madeira (2008) deals of this principle, discussing that in theory, the efficiency would be neither beginning, but the result of an administrative activity. Efficiency in Public Administration relates to the ability to generate benefits to society with the resources originated from it; thus demonstrates the citizen taxpayer the due respect, as if to give him back the counterparts of these "inputs" or inputs provided by all citizens. Thus, it seeks to avoid waste in the execution of activities, while prioritizes lower costs through the better execution method of the public functions.

2.1.2 The Bureaucracy in public organizations

Weber, creator of bureaucratic concepts based himself on the rationality to develop his ideas in response to the inconsistencies between Classical Theory and Human Relations, with the goal of creating a model of organization that would involve all the variables. Chiavenato (2003) states that the bureaucracy is a form of human organization based on rationality, in other words, the adequation of the goals (ends) intended and Matias-Pereira (2010) defines that in the bureaucratic context, rationality means the quest for efficiency. For Weber (cited Matias-Pereira, 2010), the bureaucracy may be understood as a group of regulations and laws and standards that the

employee, supervised by his supervisor, shall fulfill, always respecting the hierarchical structure, which he must obey faithfully and worthily.

Matias-Pereira (2010) discusses two main causes of the distortion of the concept of bureaucracy, the first relates to the centralization and the verticalization of the decision process, resulting in the slowness of the procedural steps in the hierarchical structure in upward direction and the second is about the lack of flexibility, in other words, obsessive preoccupation to follow rules, with no place to modification. On the other hand, the bureaucratic advantages are guided by the rationality in relation to the achievement of objectives, definition of positions, operations and duties, rapidity in decision process and channels through which the information about orders, rules and procedure are transmitted. Under these conditions, cites Matias-Pereira (2010) that the work is professionalized, nepotism is avoided and working conditions favour the economic morality and difficult the corruption. Matias-Pereira (2010) also argues that the fairness of bureaucratic rules, almost always based on universal standards of fairness and equal treatment, has the virtue of ensuring cooperation, since, the people comply rules mainly because the ends achieved by the entire structure are highly valued. In the studies of Weber, the author also identified dilemmas faced by the bureaucracy that undergoes constant external pressures to force the organization develop different ideas of the rules employed. Accordingly, as describes Matias-Pereira (2010), the organization to be effective, requires a special kind of legitimacy, rationality, discipline and range limitation, which remits to an evaluation of the methods as applied to measuring its effectiveness in meeting the proposed objectives.

2.1.3 Innovation in public management: organization and processes

In face of this impasse described by Weber when dealing with bureaucratic dilemmas, is noticeable to identify the relationship of innovation as one of the factors driving the changes of the rules committed by this administration model. Adair (2010) states that innovation means creating or presenting something new in particular. He combines two main processes that overlap themselves, namely, (1) have new ideas and (2) implement them. Druker (1985 cited Bessant, Pavitt and Tidd, 2005) expressly says that innovation is the specific tool of entrepreneurs, through which they exploit the change as an opportunity for different business or services. It is liable of being presented as a discipline, liable of being learned, liable of being practiced. So, the public organization may develop actions for a innovatory learning process, using the inputs available, such these values,   that should be incorporated by the structure as a whole,

involving the various employees that comprise the public mechanism.

The importance of changes in organizational processes happens mainly in response by the adaptation to environmental conditions that surround business organisms. Bessant, Pavitt and Tidd (2005) believe that innovation is an essential process, concerned to renew that the company offers, noting that, in nonprofit organizations the development of innovative actions can be directed to reducing costs and improving quality. Adair (2010) states that organize something is to impose on this element a sequential and/or spatial manner and Bessant, Pavitt and Tidd (2005) complement that understand the innovation as a process is to clarify that the knowledge originated by this process creates the manner how this process is managed and experienced.

As instruments for the execution of administrative processes were established the routines of organizational behavior, according to Levitt and March (quoted in Bessant, Pavitt and Tidd, 2005) are ipse literis, procedures that involve established sequences of actions to perform tasks in a mixture of technologies, procedures or formal and informal strategies, and, conventions or informal habits. These tasks are related to the central competencies of planning, management and evaluation, where the routines of behavior must be integrated in order to constitute the capacity of manageability in the innovation processes. In the relationship of modifications caused by the innovation of the process, we emphasize the difficulties conceived by the presence of routines rooted in government institutions, which entails a blockade to the realization of innovative actions aiming at the improving of the quality of the processes. On this blockade, Bessant, Pavitt and Tidd (2005) state that it is essential from the point of view of the innovation management, not just the building of routines, but also recognize when and how to destroy them and allow to create new ones. The authors add that the effective management of innovation is basically resulting from the design and development of effective routines and learn to do them depends on recognizing and understanding such routines and facilitate its emergence inside the corporation.

2.1.4 Attendance (Reception) in public organizations (In Brazil, attendance is a protocol for reception of persons in one institution**)**

The definition of attendance (reception) provided by public organizations is presented as a service of social nature and necessary to respond to the community demand. The Brazilian Service of Support for Micro and Small Enterprises [SEBRAE]is a benchmark in

the country to conceptualize the attendance, for it provides support to several companies since the very beginning stage and acts as the assistance organ to improvement of the quality of the processes of these organizations. According SEBRAE (2013), attendance service refers to our judgment value as a whole. To serve is much more than treat. Treat is essential and basic. Serve is to exceed expectations, to surprise the customer. Débora Martins, an expert in the management of the relationship between company and customer and auditor by the National Service for Industrial Apprenticeship in São Paulo [Senai/SP] NBR 9001:20083 that specifies requirements for a Quality Management System, states that attendance is related to any liability that the company places on its employees to meet the client properly, on the right time and satisfactorily.

The issue of attendance in Brazil, especially in the services provided by public organizations, has a notorious shortage related to the processes of excellence and quality. Dantas (2004) argues that poor customer service is not an issue of who execute the attendance, but a management issue, that passes through the training aspect of the service personnel and adequacy of the environment and ends on the ongoing assessment of quality. So, it is clear that broach the attendance service in a individualized manner and of responsibility of the one who executes it, is actually delimit itself to identify only one of the agents involved in the process. According Bandeira de Melo (apud Matias-Pereira, 2007), public administration is the offering by the State or its designee, of utility or community aimed at satisfaction of the community, under the regime of public law and in accordance with the public interests. In this respect, it becomes even more noticeable the complexity of the attendance service in these conditions, because of the diversity found in the public to which the service is directed.

2.2 Theoretical and conceptual elements in confrontation with the techniques of attendance service

The development of an organization, especially in the public context, is related to the ability to identify failures and inadequacies within the process, seeking the application of preventive measures and mitigatory in the face of the adequacy of the institution to the processes of management quality. Assess the necessity for change requires, as cited by George and Jones (2011), the recognition that there is a problem and the identification of its cause. In this respect, the theoretical elements presented orient and expand the knowledge

levels of the public administrator, who can use tools, previously tested by scientists and experts, to prove the efficiency of the method in order to improve the quality.

2.3 Measures of innovation adequacy in public service organizations

Innovation is a process that integrates the entire organization and, therefore, it is necessary that exists the integration and the work together in order to reach the goals that seek quality and the improvement of services. Abreu, Coral and Ogliari (2008) state that the first step to implement a process of management of innovation in the company is to establish an appropriate organizational structure. Thus, it becomes necessary to make a diagnosis of the organization to assess the main variables that make up the innovative process, as well as determine the resources applied to the process of innovation. Lewin (cited in Cameron, 2009) presents a model of the organizational changing process in three steps: unfreeze the current state, then go to a new state through participation and involvement and refreeze and stabilize the new state by establishing new policies and standards and recognition of the success of the process. Organizational change involves the development of a restructuring process that as cited by Cameron (2009) aims to align the organization to perform its best strategy.

3. METHODOLOGY

The methodology can be defined as the set of methods used to perform a search. Siena (2007) describes that method can be understood as the form and the pathway of the manner of think. It is the way to approach the level of abstraction of phenomena. Is the group of processes or mental operations employed in the study. Severino (1941) complements this concept when broaches that science forms itself applying techniques by following and relying on epistemological grounds. In this context, we present the methods used in research as follows.

3.1 Methods and procedures of the research

The methodology applied in this research has a qualitative nature, according to the recommendations suggested by Flick (2004). We adopted the method of case study as indicated in Yin (2005). For validation of the results it was decided by the support of the group of focus as has been recommended in Pedro Filho (2012), of the Master's Program in Administration from the Foundation of the Federal University of Rondônia.

The questionnaire method was formulated as a procedure to apply to seek data collection as on the website SurveyMonkey. The questions were multiple choices, so as to allow the measurement of data, analysis and critique of the causal relationship. Since the

public (respondents) focused of this present study did not have access to email or an internet tool to receive the file via internet. The facts recorded in research were investigated by inference of the matters contained in the printed document. The data obtained from the questioning of the actors surveyed were inserted into the platform of the website Survey Monkey by manual feeding of information, strictly observing the data insertion in identical reference to the written record made by individuals who responded to the questionnaire. With the data tabulation it was possible to obtain the graphics and the tables of information to compare the margins of asymmetry and concordance between the responses of individuals in the context of the items investigated.

A further methodological procedures was adopted in the location of observation, which allowed us to assess the performance of the actors involved in institutional attendance (delivery) of service with the registry about the local phenomena measured in conformity with the conceptual and theoretical confrontation. We seek for our study the measure recommended by Severino (2007); on the "layout" and other factors that compose the environment of the location of the research, the field observations, considering the theoretical bases built in order to perform the comparison between the practices found in the public organism (institution) and the scientific recommendations raised by theoretical and conceptual research. The data (respondent) group is obtained by methodology that allows the comparative analysis of causal relationship. And inferences about research scenario are drawn in order to identify the proposals for improvements, adaptations and adjustments. The recommendations proposed here are followed by the social scientists and are supported by the theoretical and conceptual fundamentals of this case study. As from the data group obtained by means of methodological procedures presented, the comparative analysis of the causal relationship was performed.

3.2 Group of focus

The Group of focus is an instrumental procedure for collection, data capture and information that assist the researcher in the processing, analysis and description of the facts related to the object that is being investigated. Morgan and Freitas (quoted Vergara, 2006) emphasize that the group of focus can be a simultaneous providence (solution) to the (research) search procedures when it seeks to stimulate or interact in face of the collection of opinions of the social actors involved in any way with the subject researched. For the purposes of this study the group of focus (respondents) consists of 15 participants, where seven individuals were appointed from among the employees related to the

attendance(reception) and delivery of service of the health system under study, and eight are customers (patients) randomly selected; in both cases we seek to obey the protocol of ethics of the Social Research , through informed consent, free acceptance and interest in collaborating with the results of the survey as recommended in Pedro Filho (2012).

4. CASE STUDIES ON INNOVATION IN SERVICE ATTENDANCE (RECEPTION) IN GOVERNMENT HEALTH ORGANIZATIONS

Here the results obtained are presented by means of methodological procedures applied in research that seeks to meet the specific objectives initially proposed in this study. The research was conducted in a health care facility that serves as a center of medical specialties, organ of the prefecture of the city of Porto Velho, state of Rondônia. The government institution was opened in March 2012; the investments made by the government with the management of resources of social compensations arising from the construction of Hydroelectric Jirau located on the Madeira River in Rondônia state. The goal of creating an exclusive unit for concentration of the attendance (reception) and delivery of services in some areas of medical specialties emerged as a mitigatory () measure to improve the quality of the services provided to the population (people), which also serves to a fundamental right that guarantees individuals' access to health. The research developed in this work was directed to the subdivision of medical and statistical files who manages the administrative and (delivery) attendance issues, which include the reception, instruction and guidance of patients referred by health service stations and from different locations of the city, in addition of other (province) counties in the state. Among the individuals that constituted the group of focus of this research, in Chart 1 are described the characteristics of the group of actors questioned.

Chart 1: Socio-economic profile of the respondents.

Characteristic	Socioeconomic Profile		
Gender	73% Male	27% Female	
Age	40% - 18 a 27 years	26% - 28 a 37 years	
	20% - 38 a 47 years	14% - 48 a 57 years	
Scholarity	6% basic education	33% High school	61% College
Naturality	80% Northern Region	13% South Region	7% Northeast Region
Occupation	46% civil servants	26% Students 15% merchants 13% Independent workers	

**Source:** Formulated by the authors based on the research (2013).

4.1 Analysis of public attendance services in the research institution

In order to perform the study on the influence of innovative actions in the public attendance (delivery of) service provided by health organizations, the data obtained in research is compared with the theoretical and conceptual bases and presented.

4.1.1 Legal principles of morality and efficiency

The social actors involved in the process of attendance and (delivery of) service of the researched organization is investigated through the facts. When asked about the principles of morality and efficiency in order to obtain the opinion of these individuals about the performance of the public administration to serve and apply them appropriately in the attendance service process following results were obtain and the results as shown in Graph 1.

Graph 1: Fulfillment of the principles of morality and efficiency.
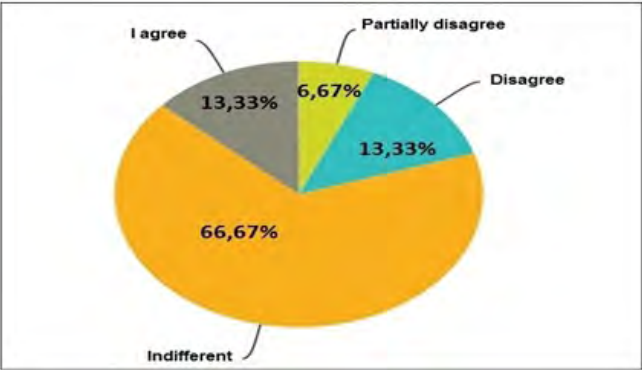
Source: Survey by the authors for present study (2013).

According to the opinion of the respondents the most part was indifferent to determine whether there is fulfillment and applicability of the principles of morality and effectiveness by the Public Administration. This issue may be related to the ignorance of the principles, that although they were informed at the meeting of the group of focus, they were identified as new elements to the individuals consulted. It is Important to consider the low level of the involvement of citizenship as well as their inability of perception about relevant issues that should be incorporated to the routine of the public employees.

4.1.2 The Bureaucracy in public organizations

The factors obtained in this research aimed to identify characteristics of bureaucracy in the organizational environment and obtain the opinion from the users and employees on the

role of bureaucracy in the process of attendance service provided by the organization where it was developed the case study for this activity. In relation to the characteristics related to the bureaucracy, are presented in Chart 2 are the practices identified by the respondents.

Chart 2: Bureaucratic characteristics in processes of Public Administration

Process of administration	Description
Planning	Presents rules, policies and regulations; Detailed and in long term;
Organization	Centralized in authority; Formal and with specific responsibilities;
Direction	Directed to the supervision of the tasks performed; Supervision closed;
Control	Directed to ensure the compliance of the procedures.

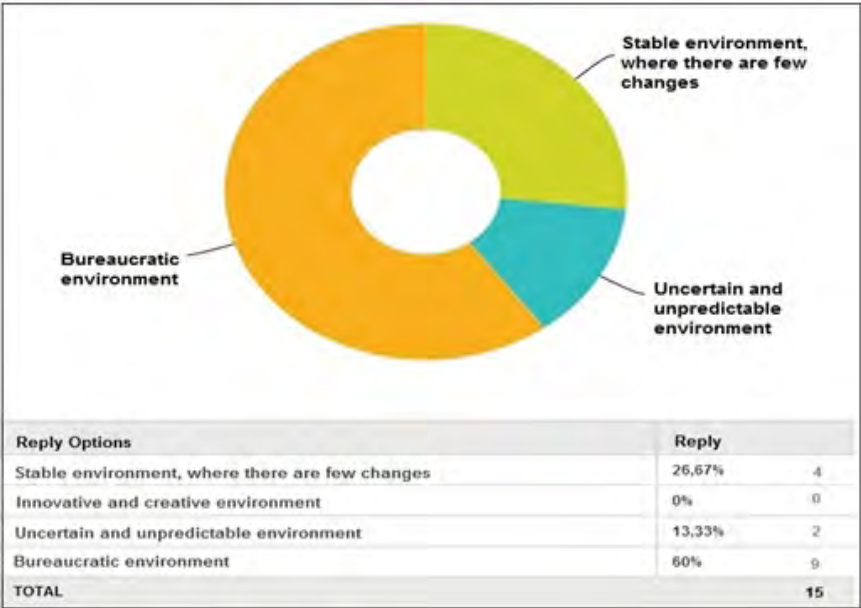**Source:** Findings of the research conducted by authors for present study (2013).

When asked about the role of bureaucracy in the processes of attendance delivery of service, there was unanimity in the responses, where respondents stated that bureaucratic activity has a negative effect on the process of attendance service, creating obstacles and clutter in the process. The analysis of this question enabled us to identify the association that the respondents create between the bureaucracy and the malfunctions existing in a system or task, where individuals claim that bureaucratic operations generate disorders and damage the provision of the attendance service.

4.1.3 Innovation in public management: Organization and Processes

In this topic we sought to infer about the perception of the respondents regarding to the innovative actions in the environment where the attendance service is conducted to the public. On this question the data were collected, as illustrated in Figure 1. At this question none of the individuals questioned consider the environment in which the attendance delivery of service is performed in the organization investigated as an environment innovative and creative, which emphasizes and affirms again the association of the provider institution of this public service as an organization where bureaucratic dysfunctions prevail, since , respondents in this study used the term bureaucracy as a nomenclature of flaws and inadequacies observed and existing service process. In face of this challenge, most of the individuals studied showed indifference to express their opinion on

the level of satisfaction that the attendance serviceprovided to the public provides, demonstrating therefore that there is an identification of dysfunction. However, the social actor does not express nor has a method to evaluate and present measures for a quality attendance service, according to data gathered in the meeting of the group of focus.

Graph 2 : Characteristics of the environment where occurs the attendance service to the public.

Reply Options	Reply	
Stable environment, where there are few changes	26,67%	4
Innovative and creative environment	0%	0
Uncertain and unpredictable environment	13,33%	2
Bureaucratic environment	60%	9
TOTAL		15

Source: Findings of the research conducted by authors for present study (2013).

In the applied study on the attendance service in the organization focus of this research, we identified the following observations as shown in Graph 3, which shows the level of satisfaction of users and employees with public attendance service; Table 1 summarizes the main factors that influence in the quality of service provided and, Graph 4 illustrates the concepts that the respondents have in identify those responsible for the public attendance service, as follows respectively.

Graph 3: Level of satisfaction with the mode of operation
of public attendance services.
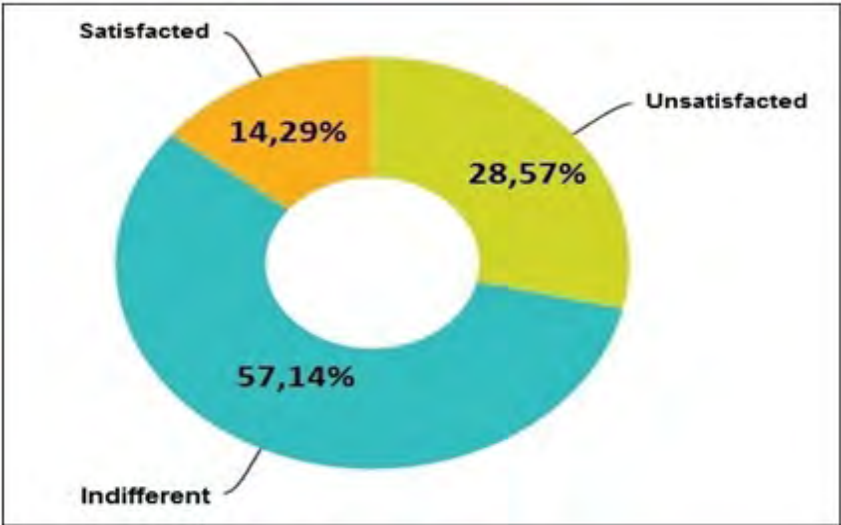
Among the identified elements in the research, were cited below the key influencers of the quality in the attendance service provided by public organizations, as shown in Table 1. It is noteworthy in this context that none respondent considers the participation in decisions an influencing factor for the development of the public attendance service activity, emphasizing so an issue previously discussed, that deals with the indifference that social citizens have related to the public processes in which are related to suggestion, analysis and action in face of the problems identified.

Reply Options	Reply	
Participation in decisions	0%	0
Interval for rest between activities	6,67%	1
Creative and diverse work	20%	3
Job stability	53,33%	8
Physical comfort	66,67%	10
Recognition at work	73,33%	11
Safe working conditions	86,67%	13
Responsibility for the results achieved	86,67%	13
Respondents: 15		

Another point which highlights and provides supports to the considerations of this analysis is presented in Graph 4. According to the analysis of the data in this graph it was possible to reaffirm the

opinion of the social actors in relation to the processes of attendance service, since the most of the respondents links the responsibility for the quality of the public attendance service to the agent that provides the service and after to the manager of the organization where the service is provided. In this question was optional to the respondents one or more answers, in order to identify the considerations of the group of focus about the subject. This result appears in contrast with the propositions of Dantas (2004) by asserting that the poor attendance is the result of the actions of the attendant or manager. Dantas (2004) discusses the quality of the attendance service as an element that initiates in the development of people, has continuity in the relationship that individuals possess with the environment and completes itself by the constant evaluation of how the attendance service is conducted. So, it is possible to see that several elements, and not isolated factors, participate in the attendance service process and the group of these elements is responsible for the excellence in attendance service providing.

Graph 4: Actors responsible for the quality of the attendance service.
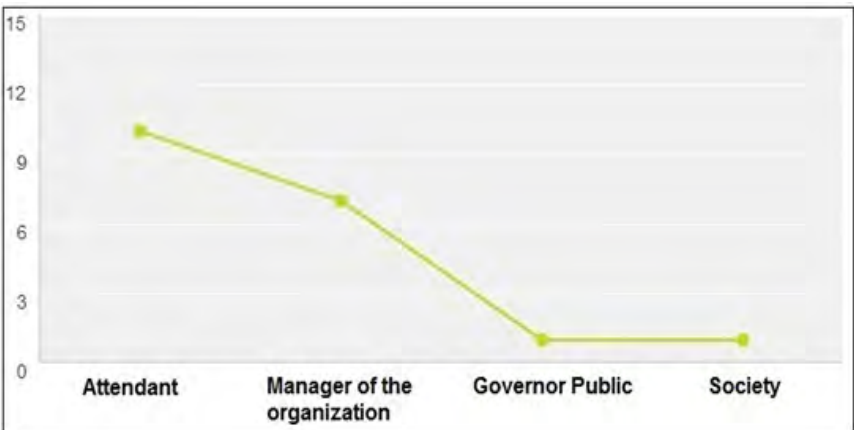
Source: Findings of the research conducted by authors for present study (2013).

With the study and the conclusion of the analysis it was possible to identify weaknesses and threats that compromise the quality of attendance service provided by public unit and propose improvements and adaptation measures for seizing opportunities and invigorate the strengths found. The theoretical and conceptual confrontation on this research allowed the comparison of the recommendations of experts, scientists and researchers with the practices developed by the organization in its routine. These factors

14

were addressed by the methods initially initially proposed and thus here the suggestions and considerations of research are presented.

4.3 Proposals for adequacy measures for the attendance service of public organizations

According to the facts raised in loco, coordination of the group of focus and application of research methods were considered proposals for improvements and adjustments, shown in Chart 3.

Chart 3: Proposals for improvements and adjustments to the process of attendance service.

Indicative raised	Description of the measures of adequacy
1. Inadequation in organizational processes	1.1 Analyze the routines and seek, within the public context, simplify the possible processes; 1.2 Disclose the procedures and standards to all employees in order to disseminate the purpose of the organization;
2. Failure in the centralization of the organization	2.1 Inform staff about the organization's hierarchy, clarifying who are the managers or employees responsible for each task;
3. Deficiency by the direction with focus on the task	3.1 Evaluation of the performance of the employees; perception about the motivators of the improvement of the quality of the work.
4. Inadequacy in control	4.1 More formal control of the unit, definition of tasks and deadlines;
5. Rigid environment, inflexible	5.1 Work the actions of Organizational Learning (OL) to utilize the available resources in view of the better performance, encouraging an innovative and creative environment;
6. Lack of maintenance in work environment	6.1 Conservation of the cleaning, care, organization, concern for the public served;
7. Lack of participation of social actors in the process	7.1 Involvement of citizens in the public process, in order to criticize the dysfunctions, but also to contribute to the resolution of these.

Source: Formulated by the authors based on the present case study research (2013).

5. FINAL CONSIDERATIONS

In face of the data collected, research and analysis performed it was possible to identify the relationship of the individual in public context and the practices of the attendance service provided by health institutions. In this context when responding to the problematic about what is the contribution of innovation processes to the quality of the attendance services in organizations of public health, it was possible to ascertain that innovation generates benefits in applying the Organizational Learning through the use of available resources in a creative and dynamic manner aiming to improve the performance of processes. Thus, innovative actions can be implemented in the public organizations by the practice of everyday

activities with the use of the "inputs" arranged in the organization, which include the development of the human element as a motivator of innovative initiatives. The organization surveyed showed ability to the fulfillment of its activities in relation to the structure, staffing and organization, however, are raised points which were suggested improvement proposals that aim to make the creative work environment and dynamic, since the emphasis of the respondents was pointed to the bureaucratic dysfunctions.

It is presented also that the participation of social actors in the process, exists in order to identify failures and inadequacies, however, the training and the experience with the public sphere to intervene in these relationships in order to modify them, appeared as factor underexplored and developed by the individuals questioned, a situation in which is suggested as a new research topic that could have as a target the study about the citizen participation in collective organism. In short, the realization of the conceptual and theoretical confrontation with the practices developed by the organization allowed beyond the study of the subject proposed, visualize the concepts of users and employees of the public attendance service process, allowing a reflection on the performance of the organization and of the citizen within the scenario researched.

ACKNOWLEDGEMENTS

REFERENCES

ABREU, Aline; CORAL, Elisa; OGLIARI, André. (2008). *Gestão integrada da inovação*. São Paulo: Atlas.

ADAIR, John. (2010). *Liderança para a inovação: como estimular e organizar a criatividade para sua equipe de trabalho produzir ideias inovadoras*. São Paulo: Clio.

BESSANT, John; PAVITT, Keith; TIDD, Joe. (2005). *Gestão para a inovação*. Porto Alegre: Bookman.

CAMERON, Esther. (2009). *Gerenciamento de mudanças: guia*

completo, com modelos, ferramentas e técnicas, para entender e implementar as mudanças nas organizações. São Paulo: Clio.

CHIAVENATO, Idalberto. (2003). *Introdução à teoria geral da Administração: uma visão abrangente da moderna administração das organizações*. Rio de Janeiro: Elsevier.

DANTAS, Edmundo Brandão. (2004). *Atendimento ao público nas organizações: quando o marketing de serviços mostra a cara.* Brasília: Editora SENAC.

FLICK, Uwe. (2004) *Uma introdução à pesquisa qualitativa.* Porto Alegre: Bookman.

GEORGE, J. M.; JONES, G. R. (2011). *Fundamentos da Administração Contemporânea* (4a ed.). Porto Alegre: Bookman.

MADEIRA, José Maria Pinheiro. (2008). *Administração Pública*. Rio de Janeiro: Elsevier.

MATIAS-PEREIRA, José. (2010). *Curso de Administração Pública: foco nas instituições e ações governamentais*. São Paulo: Atlas.

PEDRO FILHO, Flávio de São. (2012). *Apostila de Administração da Produção I*. Federal University of Rondônia. Porto Velho, UNIR.

SEVERINO, Antônio Joaquim. (2007). *Metodologia do trabalho científico*. São Paulo: Cortez.

SIENA, O. (2007). *Metodologia da pesquisa científica: elementos para elaboração e apresentação de trabalhos acadêmicos.* Porto Velho: UNIR.

VERGARA, Sylvia Constant. (2006) *Métodos de pesquisa em Administração*. São Paulo: Atlas.

YIN, R.K. (2005). *Estudo de caso: planejamento e métodos*. Porto Alegre: Bookman.

Make in India: Initiative and the road ahead

Dr. Chitra Rathore
Assistant Professor, Department of EAFM
S.S.Jain Subodh PG (Autonomous) College, Jaipur

ABSTRACT-

*In the year 1947 **India** got independence and was ruled by Congress led government for a number of years. But, when the economy is analyzed from the point of view of industrial production, GDP, agricultural production and process business growth, the government discovered that a large number of initiatives are still needed to achieve growth of India in real sense. To encourage manufacturing in India a dream project "Make in India" was launched in 2014. This attempt to study the steps undertaken by government in this direction and also to analyse the future challenges to combat with and achieve success in Make in India project.*

Key words: Make in India, Initiatives, Government of India

Introduction:

In September 2014, the Make in India program was initiated by honourable Prime Minster Shri Narendra Modi as a part of a various sets of nation-building initiatives. The key objective of this program was of transforming India into global design and manufacturing hub. It was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and the growth rate of India had fallen to its lowest level in decade. India was tagged as 'fragile five' as the promise of BRICS nations faded. Global investors debated whether the world largest democracy was risk or an opportunity. **India** was on the edge of the severe economic failure. This project covered various sectors like automobiles, aviation, biotechnology, chemicals, construction, defence manufacturing, electrical machinery, food processing, electronic systems, , BPM & IT , leather media and entertainment, mining, oil and gas, railways, textiles, etc.

Objectives of the study:

To study the initiatives of 'the make in India project'
To analyze the progress made by 'the make in India project'

Research Methodology:

The research has been based on secondary data available on various websites about different aspects of make in India project.

About:

Hon'ble Prime Minister Shri Narendra Modi in his address to the American business community at the annual US India business Council (USIBC)in Washington said that the time has come when the world needs new engines of growth. He further said that India is poised to contribute as a new engine of global growth. He also mentioned the doubts about the future of the Indian economy and the unhappiness of the business community about the stagnancy of the economy. He was confident that the Government have managed to overcome the odds and have displayed an impressive economic performance. He laid emphasis on that the India is a reliable partner, a source of high quality scientific, engineering, and managerial ability, a crucible of development ideas and experiments, an efficient source of high quality Research and development and this is all a win-o-win proposition for the US and for India. He viewed that India is the future human resource powerhouse of the whole world with a young hard working population and the attention is required to be given in the direction of production of world class products and services for the whole globe. He emphasised that the developed countries should open their markets for the developing countries in the field of not only goods but also for services.

Mrs. Nirmala Sitharaman , Commerce and Industry Minister, said in a written reply to Rajyasabha that FDI inflows had gone up by 29% between October 2014 and December 2015. A Foreign Investment in business to customer(B2C) e-commerce activities has been opened in a graduated manner and entity is permitted to undertake retail trading through e-commerce under certain circumstances.

Initiatives of Make in India:

The Make in India project is being handled by Central as well as the State Government. The initiatives taken by the central govt. Are as follows:

1. The Govt. Has introduced unified online portal known as Shram Suvidha for the registration of Labour Identification Number (LIN), Submission of returns, grievance redressal and combined returns under 8 labour laws.
2. For real time registration online portals for Employees State Insurance Corporation(ESIC) and Employees

Provident Fund Organization(EPFO) have been developed; payment system through 56 accredited banks, online application process for environmental and forest clearances and various other similar causes.

3. Fourteen Govt. Service are being delivered via e Biz, a single window online portal

4. The documentation formalities have been reduced to 3 days instead of earlier 7 days time period for imports and exports.

5. An Investor Facilitation Cell has established by the Central Govt. To felicitate various investment activities.

6. The Central Govt. Planned for elimination of the requirements of the minimum paid up capital and common seal.

7. The Govt.has introduced simplified forms for industrial License, Industrial Entrepreneurs memorandum, extended validity for implementing industrial licenses.

8. The Company Law Tribunal is in the final stages of its formation.

9. Integration of processes in order to get PAN, TAN, ESIC and EPFO registrations with the incorporation of company.

10. The emphasis is being laid on the deregulation and on the ease of doing business in India.

11. Efforts are being made to make the system simple, clean and proactive and business friendly.

The State Govt. Initiatives in Rajasthan:

1. Commerce and Industry Minister Nirmala Sitharaman urged Global Investors to focus on Rajasthan, spot lighting the importance of taking the Make in India campaign to the States.

2. Rajasthan Diaspora plans to act as brand ambassadors at the various consulates and missions abroad for certain key sectors, where the State has special potential

3. The number of proceedings and time consumption in the whole procedure has been reduced.

4. One of the key initiatives by Rajasthan was to launch investment focused policies like: Rajasthan Investment Promotion Scheme (RIPS), MSME Policy, Tourism Unit Policy, Solar Policy, Agro-Processing Policy and others

Increase in Foreign Direct Investment.

Railways, defence, tourism, insurance and medical devices sectors have been opened for a higher level of foreign direct investment. In the fiscal year ended on 31st March, 2015 the net foreign direct investment by foreign institutional investors reached to $40.92 billion. This shows a growth of 48% in FDI inflows.

Increase in Industrial production:

India's industrial production increased by an average of 2.7% from October 2014 onwards, which shows a significant rise.The expectations for manufacturing sector were to show a tremendous growth and similar kind of growth was expected from coal production and natural resources.

The progress of this campaign is clearly visible in the given table , showing how various manufacturing companies are joining hands with the Government of India to make the project of "Make in India" successful.

S.No.	Date	Company Name	Activity
1.	Jan, 2015	Spice Group	To start a mobile phone manufacturing unit in U.P.with an investment of Rs. 5000 crore.
2.	Feb, 2015	Samsung	Samsung ZI plant to be set up in Noida
3.	Feb,2015	Hitachi	To set up an auto component plant in Chennai
4.	Feb,2015	Huawei	To set up a telecom hardware manufacturing plant in Chennai.
5.	Feb,2015	Xiaomi	First manufacturing unit operational in Andhra Pradesh.
6.	June, 2015	LH Aviation	Setting up of a manufacturing plant in India to manufacture drones.
7.	Aug, 2015	Foxconn	Hi tech semi conductor manufacturing facility to be set up in Maharashtra.
8.	Aug, 2015	Lenavo	Manufactured Motorola smart phones at a plant near Chennai
9.	Nov, 2015	Taiwan's Wistron Corp	Started manufacturing devices in Nokia, U.P.
10.	Nov, 2015	Alstom and GE Transport	Setup locomotive manufacturing factories in Bihar.

Conclusion:

As the land reforms and policy reforms which are important for the successful implementation of the Make in India campaign have not been implemented properly, so need of the hour is to materialize the reforms required.

Infrastructural facilities are still waiting for huge investments as infrastructure is the backbone of the development road. The other concern is the increasing rate of NPA's in the Indian Banking sector and the lacuna remains there in the impartment of skills to the workers. Research and development work is also not triggered properly which creates a major hurdle in the success of this project. The requirement at this time is to explore more areas where hidden opportunities are there which are at the back foot due to the lack of financial resources. So, India will have to take the challenge of "Make in India "more vigorously and tactfully.

References:

*Narayan Madhavan, 2016, 3 major challenges to Modi's Make in India, from www.*hindustantimes.com/coloumns/5 *major challenges*

www.clindia.com/industries/manufacturing

www.economictimes.indiatimes.com/news/india-unlimited/make-in-india.

www.makeinindia.com/about

www.makeinindia.com/eodb/central-government-initiatives

www.mapsofindindia.com/government-of-india/make-in-india.html

www.business-standard.com/article/economy-policy/make-in-india-the-story-so-far-116021200338_1.html

Entrepreneurial Intention of Students: A Study of Jaipur City

*Prof. Anil Mehta
** Smita Sharma*

*Professor,
Department of Business Administration,
University of Rajasthan, Jaipur
**Research Scholar,
Department of Business Administration,
University of Rajasthan, Jaipur

Abstract

Entrepreneurship has been considered as a key factor in the development of a country. Entrepreneurial intentions are significantly related to a person's perception of desirability of entrepreneurship. The study identified certain variables as self efficacy, trigger event, need for achievement, perceived desirability, direct experience and propensity for proactive behavior as the key factors for intention of students to become an entrepreneur. The students were from engineering and management disciplines. The variables were correlated to understand the degree of affiliation between them. It was found that a high positive correlation (.905) exists between Need for Achievement and Direct experience. A high positive correlation (.729) also exists between Trigger event and Direct Experience. A high negative correlation (-.710) exists between Self Efficacy and Trigger event. A low positive correlation (.018) exists between Direct Experience and Propensity for proactive behavior and also low negative correlation (-.028) between Self Efficacy and Propensity for proactive behavior. Hence entrepreneurship can be considered as a process of resource integration, learning and continuous innovation which requires certain basic skills.

Introduction

Entrepreneurship acts as a triggering factor in the country's economy. It is thus gaining importance worldwide. In fact for most nations it is the major catalyst for economic growth (Garavan & O'Cinneide, 1994).Entrepreneurship is the act of becoming an entrepreneur. According to the French tradition, this implies "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods" (AOIE, 2010).Thus innovation and entrepreneurship can be considered as the new paradigms of new times. The creation of a new business is an example of

planned entrepreneurial behaviour that is the result of careful thought and action over a period or time (Carland and Carland, 2001; Bird, 1988; Katz and Gartner, 1988). Therefore, individuals in either the mid or late career are primary targets for entrepreneurship. The present study explored the entrepreneurial motivations of student in various graduate and postgraduate programs in Jaipur city of Rajasthan.

Objectives of the study

1. To assess whether students have an intention to become an entrepreneur
2. To explore the motivational factors required by students to turn into an entrepreneur
3. To evaluate significant outcome of the implicational process of entrepreneurship manifesting in perception, skills and innovation.

Literature Review

A review of the research on entrepreneurial intentions can be found in the work by Segal et.al.(2005).The model used suggested a construct which is a function of three variables, namely: the perceived net desirability of self-employment, the perceived feasibility(self-efficacy) of self employment and the tolerance of risk. Risk taking, opportunity seeking and speculation are usually considered as characteristics of entrepreneurship (Lumpkin and Dess, 1996).

Ultimately new firms are formed by individual who make the critical cognitive decision to perform the entrepreneurial activity necessary to create a new business(Carland and Carland,2001).The creation of a new business is an example of planned entrepreneurial behavior that is the result of careful thought and action over a period of time(Carland & Carland,2001;Bird,1998;Katz and Gartner,1998).Research clearly suggest that the intention to perform a planned behavior is the best predictor of actual performance of the behavior(Kureger,1993).Summers(2000) has shown that a person would form the intention to start business when there is perceived desirability, propensity for proactive behavior, self efficacy assessment and has a trigger event. As such the research in entrepreneurship field needs to develop a better understanding of the relationship between innovation and entrepreneurship (Acs and Storey,2004;Acsand Szerb, 2007; Carlsson, Acs, Audretschz & Braunerhjelm, 2009; Reynolds,1997; Reynolds, Carter, Gartner & Greene,2004 ; Stough, Haynes & Campbell, 1998). Thus entrepreneurship needs to be firmly embedded in the society (Norrman & Klofsten, 2009).

There is growing evidence that education has at least a limited influence on new ventures, startups, new product development and income generation (Business wire, 2000; Gamier, Gasse & Raynal, 1991; Gorman, Hanlon

& King, 1997). Scott and Venkatraman (2000) have identified the importance of identifying profitable opportunities and developing them into practice. On the basis of the above factors, an exploratory model was framed for the present study.

Model of the Study

For the purpose of this study we considered the following variables to have an effect on individual's entrepreneurial intentions:
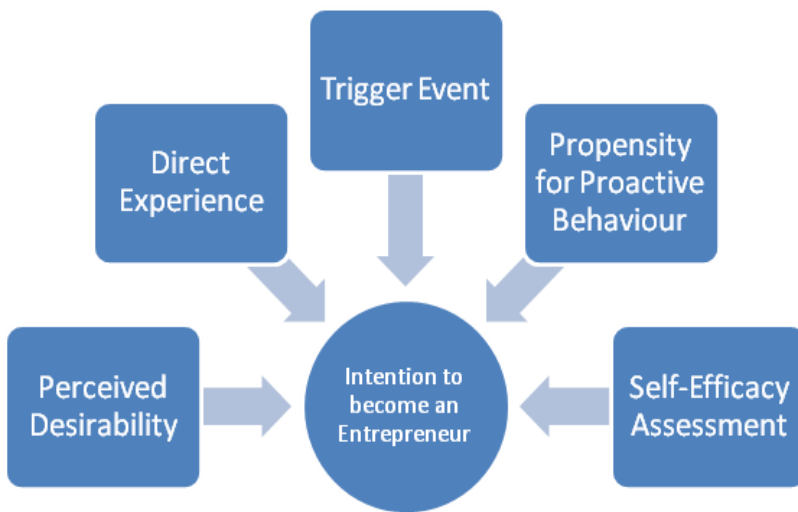
H1: Perceived desirability has a positive relationship with the intention to become an entrepreneur

H2: Trigger event has a positive relationship with the intention to become an entrepreneur

H3: Self-Efficacy Assessment has a positive relationship with the intention to become an entrepreneur

H4: Propensity for Proactive Behavior has a positive relationship with the intention to become an entrepreneur

H5: Direct Experience has a positive relationship with the intention to become an entrepreneur

Research Methodology

The research was primarily an exploratory research which tried to assess the entrepreneurial intentions of the students. The study used a sample of graduate and post graduate students and these students would have had perceived variations in opportunities that exist before them.

Data was collected using standardized questionnaires. The questionnaire using 20 statements on various constructs was used for the purpose of the study. Students had to state their level of agreement and disagreement on the statements.Likert scale was used for this purpose. Random sampling method was followed for the purpose of research. The demographic profile and educational details were also considered in the study. Around 100 questionnaires were sent and around 85 valid responses were received. The data was analyzed using MINTAB 17 statistical software.40 and 45 valid responses were received from final year students of engineering and management

Data Analysis

The demographic profile suggests that 40 students were between 20-21 years and 45 were between 23-24 years. The female students were 30 out of which 18 were graduates and 12 were post graduates. About 70 of them never created their own business before and 20 of them had a own parental business.

Descriptive Statistics: SE, TE, N for Ach, PD, DE, PPB

Variable	N	N*	Mean	SE Mean	StDev	Minimum	Q1	Median	Q3
Maximum									
SE 6.000	85	0	4.894	0.110	1.012	3.000	4.000	5.000	6.000
TE 6.000	85	0	4.7412	0.0919	0.8473	3.0000	4.0000	5.0000	5.0000
N for Ach 6.000	85	0	4.671	0.105	0.968	3.0000	4.000	5.000	5.000
PD 6.000	85	0	4.541	0.126	1.160	3.000	4.000	4.000	6.000
DE 6.000	85	0	4.659	0.107	0.983	3.000	4.000	5.000	5.500
PPB 6.000	85	0	4.635	0.106	0.974	3.000	4.000	5.000	5.000

Variable	Skewness
SE	−0.63
TE	−0.07
N for Ach	−0.26
PD	0.04
DE	−0.03
PPB	−0.07

Correlation: SE, TE, N for Ach, PD, DE, PPB

```
                   SE          TE      N for Ach    PD          DE
 TE            -0.710
                0.117

 N for Ach      0.085      -0.134
                0.437       0.221

 PD             0.364      -0.292       0.309
                0.001       0.007       0.004

 DE            -0.409       0.729      -0.905      -0.014
                0.658       0.010       0.074       0.901

 PPB           -0.028       0.014       0.502       0.124       0.018
                0.802       0.898       0.000       0.258       0.872
```

Cell Contents: Pearson correlation
        P-Value

One-Sample Z: SE, TE, N for Ach, PD, DE, PPB
Test of $\mu = 3$ vs $\neq 3$
The assumed standard deviation = 1

Variable	N	Mean	StDev	SE Mean	95% CI	Z
SE	85	4.894	1.012	0.108	(4.682, 5.107)	17.46
TE	85	4.741	0.847	0.108	(4.529, 4.954)	16.05
N for Ach	85	4.671	0.968	0.108	(4.458, 4.883)	15.40
PD	85	4.541	1.160	0.108	(4.329, 4.754)	14.21
DE	85	4.647	0.984	0.108	(4.434, 4.860)	15.19
PPB	85	4.635	0.974	0.108	(4.423, 4.848)	15.08

Discussion and Conclusions

The data clearly suggests that the mean values for most of the variables was between 4.5-4.8.It was 4.8 for self efficacy and 4.5 for perceived desirability. The skewness was negative for all the variables except Perceived Desirability. The variables were correlated to understand the degree of affiliation between them. It was found that a high positive correlation (.905) exists between Need for Achievement and Direct experience. The statistically valid relationship between these two variables suggests that respondent who had a previous business background were more inclined towards entrepreneurship as compared to those who didn't had any direct experience. This is contrary to the findings by Garg et.al. 2011. A high positive correlation (.729) also exists between Trigger event and Direct Experience. This suggests that having a direct experience along with a trigger event can lead to the process of entrepreneurship. Thus entrepreneurship can be considered as a process and entrepreneurs can be produced through proper training and a trigger event may significantly add

to the process. A high negative correlation (-.710) exists between Self Efficacy and Trigger event. This suggests that an individual's assessment of specific opportunities, skills and knowledge are important but also focus should be to build confidence in the person's ability to perform the specifics of starting a new firm. A low positive correlation (.018) exists between Direct Experience and Propensity for proactive behavior and also low negative correlation (-.028) between Self Efficacy and Propensity for proactive behavior. The desire to take action may not be dependent on self efficacy. The results are similar to those by Gist and Mitchell, 1992 which states that for a novel task like starting a business; however the comprehensive summary judgment afforded by the self efficacy construct may not be appropriate. Hence entrepreneurship can be considered as a process of resource integration, learning and continuous innovation which requires certain basic skills. A trigger event along with some experience in the field may help initiate the process. A proper training may also serve as a critical initiator in the field. The z test for the sample population indicates that all the variables are significantly contributing to the intention to become an entrepreneur and hence in view of the given evidence all the hypotheses are accepted. All the values of confidence interval are greater than ± 1.96.

Limitations of the study

The study was carried out on students from two disciplines only. This may include other disciplines also for further studies in the area. The sample was restricted to the city of Jaipur and could be carried out in a larger area. Undoubtedly there may be other variables affecting intention to become an entrepreneur which may be further evaluated in future studies.

References

- Ajzen, I. (2005). Attitudes, Personality and Behavior. Open University Press, England.

- Bagozzi, R. and Yi, Y. (1989). The degree of intention formation as a moderator of the attitude-behavior relationship. *Social Psychology Quarterly*, Vol. 52, pp. 266279.

- Bateman,Thomas,S. And J.Michael Crant(1993).The proactive component of Organizational behaviour.Journal of Organizational Behaviour.Vol.14(2),103-118.

- Bird, B. J. (1988). Implementing entrepreneurial ideas: The case for intention. *Academy of Management Review*, Vol. 13, No. 3, pp. 442453.

- Business Wire(2000).New Study links entrepreneurship education programs to bottom line returns:Alumni start more new businesses, develop more products, make more money than peers.Business Wire,Aug10.

- Carland,J.C. & Carland,J.W.(2001).A new venture creation model.Proceedings of the Association for Small Business and Entrepreneurship, 2001, Annual Conference,New Orleans, L.A.1-9.

- Collins,C.Locke,E.and Hanges,P.(2000).The Relationship of Need for Achievement to Entrepreneurial Behaviour-A Meta Analysis.Working Paper,University of Maryland, College, Park, MD.

- Gamier,B.,Gasse,Y.& Raynal,C.(1991).Evaluation of a televised course in entrepreneurship. Journal of Small Bsiness and Entrepreneurship,9,25-34.

- Garavan, T.N. and O'Cinneide, B. (1994). Entrepreneurship education and training programmes: A review and evaluation Part 1, *Journal of European Industrial Training*, Vol. 18, No. 8, pp. 312.

- Garavan,T.N.& O'Cinneide,B.(1994).Entrepreneurship education and training programmes:A review and evaluation-Part

1.Journal of European Industrial Training,18,3-12.

- Gist, M. E. and Mitchell, T. R. (1992). Self-efficacy: A theoretical analysis of its determinants and malleability. *Academy of Management Review*, Vol. 17, p. 183211.

- Gorman, G, Hanlon, D., and King, W. (1997). Some research perspectives on entrepreneurship education, enterprise education, and education for small business management: A ten-year literature review. *International Small Business Journal*, Vol. 15, pp. 5677.

- Gormon,G.,Hanlon,D.,& King,W.(1997).Some research perspectives on entrepreneurship, education, enterprise education and education for small business management :A ten year literature review.International Small Business Journal,15,56-77.

- Katz, J. and Gartner, W. (1988). Properties of emerging

organizations. *Academy of Management Review*, Vol. 13, No. 3, p. 429441.

- Krueger, N. (1993). The impact of prior entrepreneurial exposure on perceptions of new venture feasibility and desirability. *Entrepreneurship Theory and Practice*, Vol. 18, No. 1, pp. 521.

- Lumpkin,G.T. and Dess,G.G.(1996).Clarifying the entrepreneurial orientation construct and linking it to performance,Academy of Management Review, Vol.21, No.1, pp.135-172.

- Maanen, J. V., and Schein, E. H. (1987). Career development. In Hackman R. J. and Suttle J. L. (Eds.). Improving Life at Work (pp. 5557). Goodyear, Santa Monica, CA.

- Naffziger, D. W., Hornsby, J. S., and Kuratko, D. F. (1994). A proposed model of entrepreneurial motivation. *Entrepreneurship Theory and Practice*, Vol. 18, pp. 2942.

- Salwan P.,and Satarkar,S. (2010) Growth in Adverse External Circumstances: A study of Indian Public Sector

Telecommunication Company. Journal of Industrial Relations, Vol.47 (2), 235-252.

- Schumpeter,J.A.(1943).Capitalism,Socialism and Democracy, London; Allen and Unwin(Originally published in the USA in 1942; reprinted by Routledge. London in 1994).

- Segal,G.,Borgia, D.and Schoenfield,J.(2005).The motivation to bcome an entrepreneur, International Journal of Entrepreneurial Behavior and Research,Vol.11,No.1,pp.42-57.

- Shane, S. (2000). Prior knowledge and the discovery of entrepreneurial opportunities. *Organizational Science*, Vol. 11, pp. 449469.

- Shane, S. and Venkataraman, S. (2000). The promise of firm owner/managership as a field of research. *Academy of Management Review*, Vol. 25, No. 1, pp. 217226.

- Shane, S. Nicolaou, N. Cherkas, L. and Spector, T. (2010). Openness to experience and opportunity recognition: evidence of common genetic etiology. *Human Resource Management*, Vol. 49, No. 2, pp. 291303.

- Shane,Scott and S.Venkataraman(2000).The promise of Entrepreneurship as a field of research,Academy of Management Review,25(1),217-26.

- Shapero, A. (1982). The social dimensions of entrepreneurship. In Kent C., Sexton, D. and Vesper, K. (Eds.), Encyclopedia of Entrepreneurship (pp.7290). Prentice-Hall, Englewood Cliffs, NJ.

Summers, F. D. (2000). The Formation of Entrepreneurial Intentions. Garland, New York.

Online Shopping affecting the business of Retail stores with special reference to Jaipur Retail stores

*Swati Tiwari
Lecturer
S.S. Jain Subodh P. G. (Autonomous) College
** Dr. Madhu Sharma
Lecturer
S.S.Jain Subodh P.G. (Autonomous) College

ABSTRACT

The study has been done with the rationale to know the influence of the increasing trend of online shopping on the customers who buy from the various local shops and retailers and also from the e-stores. Local shops and retailers include that section of the society whereby purchasing by the localities is at a huge rate. But with the innovative use of technology and advent of e-stores, the local market has been affected to a large extend. The study has tried to introspect the various aspects about how retail business is being affected. Descriptive research study with a sample size of 50 customers of Jaipur have been used to investigate and five on-line shopping sites have been considered for the study. Interpretations have been drawn through graphical representations. The researchers in their study have concluded that online shopping has affected the retail store business, though loyalty of the customer and quick service is the strong factor for the retailers.

Keywords: E-stores, retailers, sales, profit-margin, discounts and offers

INTRODUCTION TO THE TOPIC

Purchasing consumer goods or services through online shopping has attained immense popularity in recent times mainly because of the level of convenience, easiness, brands comparison and more of discounts available. Sitting in front of laptop or mobiles in hands had made this method of shopping more effortless. Problem to locate the areas for shopping in a city, has been completely solved with e-shopping. One can easily find the products/services of his own choice without moving an inch. Online shopping (or e-retail or e-shopping) is a form of e-commerce which allows consumers to directly buy goods and services from the internet as a virtual shop. Some of the leading online stores currently in India are Amazon, Flipkart, Snapdeal, Homeshop18, Myntra, Amazon,

etc.

Retailing is a process of selling goods and services to customers through multiple channel of distribution. Retail stores may be small or big but they mostly operate in the same line as "purchasing to sale". Retail form of business is as old as civilization and is the most basic form of business. These retail stores can be found in every corner of the city and are easily accessible. People prefer buying goods from these stores as they are in-reach, goods can be bought easily and at the moment of need without any delay. Moreover people think that goods on these stores are fresh and of good quality, which is rare to find in on-line shopping. There are various types of retail stores like department store, supermarkets, warehouse retailers, specialty retailers, etc.

Review of literature

Ryu and Han(2007) explained that perception, attitude and behavioral of a consumer plays a vital role in enhancing in use of products, whether it is online or offline. Web quality shares the information related to service quality, company entailed, price and variety given by these online businesses.

Lin and Lee (2005) explained that organizational learning factors and knowledge management processes are very much associated to the e-business systems adoption. Managers focuses on both social and technical factors. But purchasing done by the customer is the result from the internet.

Srinivasan, Anderson and Ponnavolu(2002) emphasized that there are eight factors (customization, contact interactivity, care, community, convenience, cultivation, choice, and character) are considered for e-loyalty among the customers. E- loyalty has marked its impact on customer-related outcomes, word-of-mouth promotion and willingness to pay more.

Ranganathan and Ganapathy(2002) explored that the speedy progress in the e-business, has stimulate the assumption and calculation about what can make a business-to-consumer (B2C) business more effective. Security and privacy in buying the e-products have made an impact on the online purchase more meaningful.

Shim, Eastlick, Lotz and Warrington (2001) stated that the

customers diversion to purchase from internet is the result of his curiousness towards new products. Also other predictors like attitude toward internet shopping, previous internet shopping experience, etc also play a crucial role in inclination towards e-shopping.

Objectives of study

To study the affect of online shopping on the profit margins of retail stores.

To know the preferences of the customers in online shopping in comparison to retail stores

Methodology of study

Primary data has been collected to conduct the research. The universe of data collection has been Mansarovar area of Jaipur City. Primary data have been collected through personal interview method and questionnaire method. About **50** respondent were questioned through structured questionnaire consisting of **12** questions, which was open ended. The opinion of the respondent were recorded for further analysis, interpretation & drawing the conclusion. Again random sampling was conducted to collect the data from the respondent. While collecting the data from the respondent , it was kept in mind that they are internet shopping users. The data collected are classified, tabulated and represented through chart diagram.

Hypothesis:

Alternative Hypothesis: there is a significant impact of online purchasing on retail business.

Null Hypothesis: there is no significant impact of online purchasing on retail business.

Significance of the study

The study is relevant & has depicts its impact on current purchasing attitude from the online or offline. It will help to understand that to what extend online-shopping has affected the purchasing power of the people and also to what extend it has affected the business of the retail stores. The sudden deviation towards online-shopping is a real concern for the thousands of retailers who have a small shop offering a small and large variety of products.

Limitations of the study

In spite of all sincere efforts, the study has faced certain limitation like: only Mansarovar area of Jaipur has been considered as a universe for study, which cannot depicts the entire population. Only 50 customers were questioned, hence the sample size is too small for study, which seeks another limitation. At times, the customers were reluctant to give the answers because of low level of interest in responding. Time was another constraint in research work.

Analysis and Interpretation : on the basis of 50 respondent sample below is the bifurcation:

Preference for online purchasing : **25**
Preference for retail purchasing : **14**
Preference for online and retail purchasing : **11**

1. Preference on line shopping

	No. of Respondents	Percentage of Respondents
Customers Preference for online purchasing	25	57.14 (appx)
Preference for retail purchasing	14	31.42 (appx)
Preference for online and retail purchasing	11	11.43 appx)
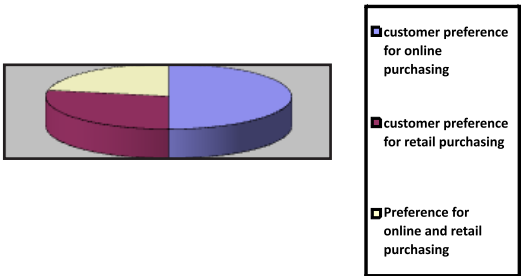
Sample of 50 respondents gave a mixed reaction towards their purchasing through online shopping. About 25 responded that they prefer online shopping for a number of reasons, and 14 responded that prefer retail store purchasing as it is on time

purchasing. 11 out of all said that they buy both online and offline products for they were comfortable which each type of shopping.

1   Preference of segments from online shopping.

35

Customer preference for only online garment purchase	15
Customer preference for only online jewelry purchase	8
Customer preference for only online home-maker purchase	10
Customer preference for only online shoes purchase	6
Customer preference for only online bookings purchase	11

Most of the respondent said garments, jewelry, home makers , shoes and booking of hotel, airplanes, train, movie tickets are the area of preference for purchasing on online shopping. The non buyers did not prefer the buying of the products.

3   Online shopping has made the   buying task easy 39 respondents said that online shopping has made their buying task easy.Searching for products from one store to another needs time and patience. Remaining 14 buyers said though they do not purchase from online shopping, still they have heard that online makes buying easy.

4. Use credit system while purchasing products from e-stores

Respondent using credit card for online purchasing	27
~~Respondent using debit card for online purchasing~~	12

Some respondents said that credit system is used while purchasing products from e-stores. This has subsequently increases their credit limit at time, which is bit risky and not accepted by the family, though it makes buying easy and instant. At the same time the other respondent said that they prefer debit cards more rather than credit cards.

5   Online shopping maintains privacy.All the respondents said that on line shopping maintains privacy. Even the non-users said that they have heard of the privacy maintained in the online shopping.

6   Purchasing increases in discount, offered by online stores

Discount and offers highest on Diwali	18
Discount and offers highest on New Year	11
Discount and offers highest on Independence Day	7
Discount and offers highest on Republic Day	8
Discount and offers highest during off season	6

The regular user of online purchasing said that during the season like diwali, new year, national days discounts are given by these online sellers, which increases their purchasing. The discount and offers are very attractive and at times saving are been done for purchasing in these discount. They also said that brand products can be purchased on these occasions of discounts and offers. The non buyers feel that the discounts and offers are means to discharge the old and discarded products. They said they bargain from the retail-stores.

7. Satisfaction with the quality given by online shopping.

Customers satisfied with the product quality of online shopping	34
Customers less satisfied with the product quality of online shopping	10
Non buyers of online shopping	06
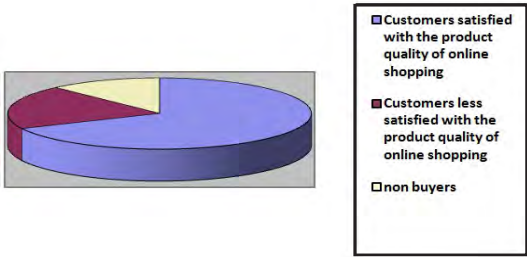
The regular buyers said that they are satisfied with the quality given by online shopping. They can select the brand products which are good to use. Moreover they said the brands do not compromise on quality, hence they are satisfied. The non buyers said that quality can be well understood with touch and vision. Real appearance of the product is more well understood, rather than seen on mobile or laptop.

8   Online buying saves your time.

The buyer and the non-buyer said that online buying saves their time. Non buyers said that certainly shopping while sitting at one place saves time and energy. But still offline purchasing to them gives the real picture of the products.

9   The retailers give offers and discounts.

Discount and offers on online shopping	42
Less discount and offers (retail store purchasers)	08
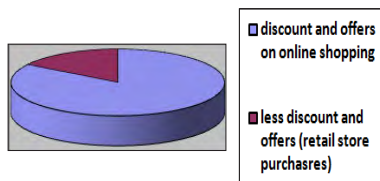
The online buyer said that as they are the regular customers to online shopping. They purchase more during the discounts and offers. To non buyers, less awareness about the offers and discounts is a problem. They feel that their comprehension of on line shopping may divert them towards it. They also added that they get less offers and discount on the retail shops, but still the products bought from these stores are less than MRP, which is as equal as to the offers and discounts given by online shopping.

10. The retails shops products are equally good as online stores
The online buyer said that the goods are equally good as that of the retail stores. But the retail store product buyer said that goods of retail stores are better than the online products. They are not discarded and moreover the manufacturing date is known which can be seen on the packaging of the product. Hence they are more reliable.

11. here is waste-age of time in buying products from retail stores.

Waste-age of time but quality products can be purchased	07
Waste age of time but products can be exchanged if unsatisfied	07
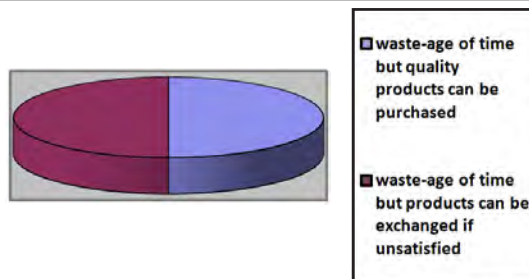
The retail store buyer said that yes there is waste-age of time in buying products from retail stores. But then these products are more reliable and if we are unsatisfied at times they can be exchange too. Retail store buyer said they are not sure of exchange provisions and parameters of online shopping.

12. The retail stores offers free home delivery.

Shopping should exceed more than rs 2000	8
The place of delivery should be around one km	6
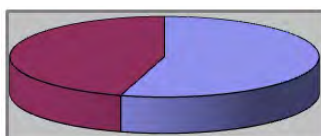
shopping should exceed more than rs 2000

the place of delivery should be around one km

The retail store buyer said that yes retail stores offers free home delivery, but the shopping should exceed more than rs 2000 and the place of delivery should not be more than one km from the retail store. This gives them a comfortable zone of buying. Retail sore buyers also added that the purchasing of rs 2000 for a month is usual.

Conclusion :

Retail stores generally operated in the traditional lines of business except a few superstores or departmental stores which has resulted into certain modification in their business patterns. On the other hand dawn of online shopping in recent times has put a barrier to them. The study has been made to comprehend the impact of online buying upon the businesses of various retailer.

Online shopping is consuming a large proportion of consumer spending. There are several inclination for customers to purchase online as price, convenience in shopping and wide range of available products being the primary. The major findings of the study had lead to two different perception. One perception is of online customers and the other retail customers. Retail store customers feel that free home delivery, products on less price than MRP, instant products, products on credit, exchange of goods if unused are some of the factors are impulsions taken by retailers to increase the sale, when competing with online shopping. Customers ignorance about online purchasing has been a tool used by these retailers. Online customers feel that brands, quality products, discounts, offers are healthy factors for online purchasing. Online customers feel that saving time and getting good products by easy means, what all one needs for shopping. The study proves the alternative hypothesis as true, which was that the online purchasing has affected the retail business.

Suggestions: There are certain suggestions for the retailer:
1   More emphasis should be on the local advertisement, as customers will come to know about the retail store.
2   Home delivery services should be quick and irrespective of the season and time, this will increase customer loyalty and will spread good word of mouth.
3   Wide range and variety of products should be available at the retail stores. This will give customer more options in purchasing.
4   Prices of the products should be lowered down, though here the retailer can be in loss. But thinking of more customer diversion the retailer has to sacrifice his margin.
5   The physical setting of the stores should be good and display of products should be reachable in the hands of the customer.
6   Discounts and offers is important criteria for sale and purchase. The retailers should give discounts and offers. This would help in discarding old products and would lower down the inventory cost too.

REFERENCES
BOOKS:

Ramaswami, V.S.,Namakumari, S.; Marketing Management; MacMilian Business Books; 3rd ed.

Peter,J.P., Donnelly, J.H.; Marketing Management; Mc Graw-Hill; 8th ed.

Armstrong, G., Kotler, P.; Marketing- An Introduction ; Pearson Education Asia; 5th ed.

Bajaj,C., Tuli, R., & Srivastava N.V.; Retail Management; Jain Book Agency; 2nd ed; 2012.

Berman,**B.,** & Evans,J.R.; Retail Management- A Strategic Approach; Jain Book Agency; 11th ed.; 2011.

Assael, H.; Consumer Behaviour and Marketing Action; Thomson Publication; 6th ed.

Solomon, M.R.; Consumer Behaviour-Buying Behaviour; Prentice Hall India; 8th ed.

Peter,J.P.& Olson, J.C.; Consumer Behaviour and Marketing Strategy; 7th ed.

Should Start-ups Outsource??

Dr Priti Gupta
Asst. Professor.
S.S. Jain Subodh P.G.(Autonomous) College, Jaipur

Dr Meenal Sukhlecha
Asst. Professor
S.S. Jain Subodh Management Institute, Jaipur

ABSTRACT

Growth, traction, and expansion are always on "top of the mind" among startup founders. However, small-business owners do have so much time and can therefore hastily become overwhelmed by their efforts to develop a company. These can mild founders' capability to spotlight on core tasks, like building and iterating their product, app, or service. Opening a business enterprise and developing your product or service requires carrying out work quickly and competently. You need to ensure your startup offers significantly in terms of novelty, quality and handiness, even though you have insufficient resources and may be racing in opposition to the contest to be first to market.

This paper focuses on the issue that all companies are built with some outside support and therefore, start ups now a days are outsourcing IT functions or their technology needs to cloud providers. Meanwhile, companies have also warmed up to outsourcing their requirements on a "business practice as a service" model. When considering outsourcing as an alternative, you should consider both the positive and negative effects. Outsourcing allows and makes available time for the management to focus on those aspects of the business that set them distant ahead of their competition f, while being assured that the important parts are all still in tune properly. Nevertheless, outsourcing can also bring about dilemmas. Giving authority to another party over any or some parts of business can lead to dependency and yielding control.

So, the key to understand the outsourcing aspect is to understand what to be outsourced, the effects of outsourcing and the success rate. The paper also discusses the initial hurdles that a startup may face and some of the smart ways in which to overcome these.

Keywords: *Start-ups, Outsourcing, Startup founders, value*

addition chain

Introduction

Starting any business is undoubtedly risky as a number of pieces must fit together- especially in the commencement-for it all to come together .All companies require some help from outside and at some point of time, they have to willingly or reluctantly out source. Outsourcing helps upscale a business with engagement of domain experts, without having to employ them full time. However it is easier said than done as it takes a time and effort to get work done by an outsourced team.

Startups have short launch pads and high prospects. In order to lighten the burden of focusing on all or many aspects of the business simultaneously, many startups turn to outsourcing, letting a third party provider handle some aspects of their business. Outsourcing frees up leadership to focus on the parts of the business that discriminate them from the competition, while staying certain that the basic functions are all still being performed properly. It shouldn't be forgotten that every business situation is unique, and outsourcing might work for some organizations. But the chances of things going wrong are higher when the company has control on fewer elements of the whole business, and this is especially true for startups and smaller organizations.

Outsourcing comes with its own set of difficulties and predicaments. Giving another party influence over part of your business, however routine or ordinary, means relinquishing some level of control. Regardless of how much participation you have, you are now no longer 100% in charge. However the risk is no different from giving some control to board members when equity is exchanged for capital.

Outsourcing is a great alternative for some startups, but it can be confusing. Let's start with defining what outsourcing is.

What is outsourcing?

Outsourcing is the sub-contracting of a business related process or service to a third-party provider. For example, if a company wants all of its financial processes regarding taxes to be handled by an external firm, then this means that the business has outsourced that procedure to a service provider.

This approach is different from a traditional business approach, where the company would establish its own accounting division and handle the same process in-house. By outsourcing, the company or business has allowed some intellectual breathing space

for the founders, circumvented the need to hire more employees and possibly saved some precious resources (currency).

In a complex business environment, it is nearly impossible to undertake all aspects of the trade and therefore outsourcing certain processes becomes imperative. Not only can this help move tasks off the founders' plate, but several of these third party service providers can accomplish the functions.

What to outsource is the key

It is crucial to understand which part of the business shouldn't be outsourced. The core business practices that make your particular business offering exclusive must be under your absolute command and should never be outsourced. For example: if a company prides itself on the unique customer service experience that it offers then it would make no sense to outsource this aspects of the business. As a start up, you should be able to comprehend your strengths and recognize what should remain totally in your control and what can be handled by someone else

"You can either do the whole lot, but not do everything primarily well or you can focus on the most vital aspects of the business - those areas where you can have a strategic gain - and let others be bothered about the rest."

Some venture capitalists are of the view that startups should consider outsourcing all non-critical functions of the business as early as possible so that they can focus on the significant functions

Many founders start their outsourcing in the back office, and there are a host of companies now that can assist in these processes. Legal aspects, accounting and taxes, customer service, human resources and recruiting are all frequently outsourced.

Why outsourcing can lead to success

Outsourcing can be done for various reasons. Small start-ups can get the necessary boost up with outsourcing. Some of the reasons for which businesses outsource are:

1. Outsourcing for market automation
2. Outsourcing for content development
3. Outsourcing for customer services
4. Outsourcing for big data and analytics
5. Outsourcing as a strategic partnership
6. Outsourcing to boost quality and productivity
7. Outsourcing for experience

Starting with outsourcing your development work to other team can really pay off well for the growth of your start-up. If you outsource, you will get price benefit. If you go on with the same outsourcing company that developed your artifact, it will be even better because they are already known with your product. However, an outsourcing company cannot take your startup far unless your business area and your technical area are aligned.

The outcome of outsourcing is dependent on factors like:
1. The type of start-up
2. The outsourced partner
3. Development of the idea
4. Chief Technical Officer
5. Product Focus
6. Budget
7. Development Process and Plan
8. Connection of the staff with the projects
9. Market Analysis
10. Software Development

The accomplishment of a business is magnified due to lower investment needs and rapid time to market. World over, many big and well-known companies have grown due to good outsourcing decisions made in the right time.

But before outsourcing decisions can be made, let's understand its positive and negative effects because these need careful consideration. A wrong decision can be costly and can lead to business breakdown.

Positives
- I don't need an expert in-house
- The work can be done anywhere in the world
- It cuts costs and saves time
- It helps me focus on startegic tasks/areas of my business
- Lean & mean structure -Fair Compensation-Happy Teams

Negatives
- Quality of work is same as I expected?
- Teams following same work culture?
- Existing workers able to execute at same speeed as my business is growing?
- Enhaced budget allocation for training offshore workers in new tasks/process?

Figure 1. Effects of Outsourcing

45

A company or business should never consider outsourcing as an easy way out for offloading work and cost cutting. With access to technology, and global outsourcing opportunities, it should be used as a tool for maintaining a lean and efficient business and optimization of processes, so as to provide you the flexibility and time for focus on strategic areas.

By outsourcing technology-related necessities, small business owners and employees can focus on more significant tasks, like sales, customer service and more, without hiring more in-house employees.

✓ **Here are those few technical tasks that small businesses should out source**

Figure: 2 Technical tasks which small businesses should out source

Many startups have recognized the value that outsourcing brings in terms of hiring skills of workers in one's own country and across the globe as experts who work virtually for the business. The key driving force is that outsourcing reduces overheads for the startups as against the cost of maintaining an in-house workforce or expertise. Outsourced companies already in place people with the requisite skill sets thus eliminating the need to train while saving

46

time and resources. Simultaneously this reduces the cost of setting up infrastructure and this means that the company can be launched and made profitable sooner.

Time is the most precious resource, and most entrepreneurs realize this quite soon. In order to   grow the business, you need to spend more time 'working *on* the business, rather than *in* the business'.Smart outsourcing can provide the much needed impetus for your business but requires careful weighing of options while taking into account all the pros and cons of outsourcing a particular process or part of the business.

Conclusion

Studies conducted across the world clearly indicate the fact that new jobs in a country are created by startups contradictory to the traditional thought that that big businesses contribute majorly towards employment generation through the creation of jobs. Startups may therefore be called as an inclusive tool for the growth and development of a country's economy.

Yet another significant contribution of startups is that they increase the opportunities for the technological development of a country. This is so because of the intricate relationship between startups and outsourcing. Startups usually have to make use of innovative technology, services for which have to be outsourced. This creates a sort of hierarchy   in which innovative technology invariably occupies the topmost place in the value addition chain.

Startup companies are burdened with an extra responsibility of testing the ground before they take off i.e. they are in dire need to search the appropriate business model which fits optimally to their functioning and market. Large businesses with answerability to several stakeholders find this a cumbersome task. Good governance issues along with the stakeholders say lead to operational and functional delays in starting up.

Analyzing all the positive and negative aspects of outsourcing some of the smart outsourcing tips to increase efficiency and effectiveness in business may be summarized as follows:

1. Enabling easier and quick communication across the outsourced talent and experts
2. Ensuring clarity in all the legal documentation, work arrangements in the form of signed contracts specifying terms and conditions along with expectations.
3. Spelling your requirements with clarity.

47

4. Assorting the list of in-house and outsourced jobs and assignments in order to prevent future confusions and duplications.
5. Planning effective execution of agreed-upon quality standardization measures and processes.
6. Evaluating and monitoring timelines.
7. Providing regular feedback.

References:

1. *Brown, Douglas. The Black Book of Outsourcing: How to Manage the Changes, Challenges, and Opportunities.* ISBN 0-471-71889-0.

2. *Davies, Paul. What's This India Business?: Offshoring, Outsourcing, and the Global Services Revolution.* ISBN 1-904838-00-6.

3. "Examining the Ins and Outs of Outsourcing." *Employee Benefit News.* September 15, 2000.

4. Foxman, Noah. "Succeeding in Outsourcing." *Information Systems Management.* Winter 2004.

5. Grauman, Kevin. "The Benefits of Outsourcing." *CPA Journal.* July 2000.

6. *Kobayashi-Hillary, Mark. Global Services: Moving to a Level Playing Field.* ISBN 978-1-90250583-1

7. *Kobayashi-Hillary, Mark. Who Moved My Job?.* ISBN 978-1-4092-7107-9.

8. "Outsourcing: Make It Work for Your Company." *Journal of Accountancy.* October 2000.

9. Scully, Ethel. "Many Factors to Weigh in Decision to Outsource." *National Underwriter.* January 16, 1995.

Webliography:

1. www.referenceforbusiness.com
2. www.sciencedirect.com
3. www.studymode.com
4. www.techrepublic.com/article/thinking-about-outsourcing-as an-early-stage-startup/
5. www.entrepreneur.com/article/247462
6. www.entrepreneur.com/article/248665
7. www.entrepreneur.com/article/285316

Corporate Social Responsibility:
A Tool For Good Governance

MS. VAISHALI ARORA
Assistant Professor Of Law
Amity Law School, Centre-ii
Amity University
Noida, Uttar Pradesh

"Successful people have a social responsibility to make the world a better place and not just take away from it"

-Carrie Underwood

INTRODUCTION: THE CONCEPT

With the augment of globalization, privatisation and liberalisation, the corporate sector across the world is struggling with a novel challenge of meeting the demands of the current generation without compromising on the needs of the future generation. A company, in its endeavour to survive the mounting competition and complexities of the business world, impacts the society in one but several ways. In order to create a room for itself in such circumstances, corporate have realised that there is a strong need to build goodwill relationship with the community at large. Such association shall provide for an evidentiary value of the credibility, trustworthiness and reliability of the company. Also, corporations are more powerful and immensely equipped than any other business structure. Accordingly, they are potentially more treacherous and capable of inflicting harm on its weaker counterparts, if allowed to operate unchecked. Thus, adopting a socially responsible behaviour is the only mechanism through which the negatives of doing business can be undone. In the wake of the same, corporates are expected to act in public interest, taking due consideration of all fraternities dealing with it namely, the consumers, investors, employees, creditors, etc. collectively known as "stakeholders". This is known as "Corporate Social Trusteeship" or popularly, "Corporate Social Responsibility".

MEANING

There is no strict straight jacket standardized formula which comprehensively or precisely describes the term "Corporate Social Responsibility". It is incapable of a universally applicable definition and is thus, defined differently at different times by different individuals and corporate groups. According to the World Business Council for

Sustainable Development, "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". In the light of the above, John Elkington, strategic thinker and author, advocated that, the Corporate Sector must focus its attention on achieving the "triple bottom line" of "people, planet and profit". It may be described as an extension of corporate governance, a notion which goes a step further and caters to the social, economic and environmental needs of the stakeholders. The idea inculcates an overall responsible behaviour which is not merely restricted to good governance and disclosures. A responsible corporate behaviour caters to the well-being of the larger community. It may thus, be gathered from the aforesaid discussion that the meaning and role of a corporation in the modern world is not simply restricted to the conventional notion of being an economic-legal entity as enshrined under the Companies Act, 1956 but, extends to that of being a social entity as well, as enshrined under the newly drafted Companies Act, 2013.

HISTORY OF EVOLUTION

Capitalism dwelled in the beginning of the 19th century marking the arrival of industrial revolution. The nature of the market demanded a pool of liquid to justify the capitalist platform. It seemed to be a cumbersome task until a collective action was initiated. This gave birth to a new type of business structure and corporations were incarnated having profit maximization as their ultimate aim. However, it was comprehended that these business
entities were acquiring gigantic proportions and exercising power beyond expectations, further giving rise to European colonialism. In the process, "slavery" and "forced labour" became rampant and economic power was concentrated in these massive organizations. Thus, with the cognizance of the "corporate menace" arose the need for corporate social responsibility. It was only in the year 1953 when the concept of CSR was first mentioned by William J. Bowen in his publication 'Social Responsibilities of the Businessman'. However, the term acquired popularity in the 1990s.
Acts of philanthropy have been a way of life in India since times immemorial. The notion of parting with a portion of one's surplus wealth without expecting anything in return is not a western import

in the country. Kautilya, the great Indian political strategist (Circa AD 100-150), postulated in his discourse on the duties of the King that, *"In the happiness of his subjects lies his (King's) happiness; in their welfare, his welfare".* From around 600BC, the merchant was considered an asset to the society and was treated with respect and civility, as is recorded in the Mahabharata and the Arthashastra. Over the centuries, this strong ritual of charity has been imbibed by various economic entities in India in their business strategy. Many leading businessmen in the country were evidently influenced by Mahatma Gandhi and his theory of trusteeship of wealth. Much of this ancient wisdom applies to present-day corporations as well wherein; the stakeholders constitute the population of the "Corporate Kingdom".

DEBATE OVER CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility endeavours to open the corporate door to an external world comprising of human values, needs, aspirations and rights, beyond the order of profit motivated corporate life. However, with the recognition of this approach where "people matter" a debate has ensued over the acceptability of CSR, thus raising a plethora of questions. The following arguments, for and against corporate social responsibility emerge from this controversy surrounding it.

ARGUEMENTS FAVOURING CORPORATE SOCIAL RESPONSIBILITY

❖ **Corporates Have Colossal Reservoir Of Resources To Dispense**

Companies today have ballooned to gigantic proportions. They withhold an enviable pool of resources, command ample power and control and, are economically empowered to contribute towards raising the standard of living of the people. This inevitably raises the expectations of the society for these institutions to be socially responsible.

❖ **Economies Of Indemnity And Goodwill**

In developing countries or emerging economies wherein, the State shoulders the responsibility of societal welfare, it gives preference to organizations voluntarily sharing the former's liability. Indulgence in social responsibility therefore, provides for an extremely inexpensive insurance package for corporates. If corporations ignore to imbibe within themselves, the trait of social trusteeship and ensuing

accountability, the Government, by adopting arbitrary and repressive methods, will place excessive restraints on these organizations, thus curtailing their enormous power and reserves through unwarranted intervention in the working of the former. On the other hand, a socially responsible behaviour is appreciated by the State. A socially driven and "obedient" corporation is applauded for its approach through incentives such as tax concessions and subsidies. Moreover, resorting to a socially responsible behaviour is a powerful tool for the company to earn goodwill and credibility amongst the various groups of stakeholders.

❖ **NECESSARY EVIL FOR SURVIVAL**

With an increase in cut-throat competition and struggle for survival, a corporation needs to have an edge over its competitors. This has led to a paradigm shift in the approach of corporates to target optimum profits instead of maximize profits and rather make an investment in building a viable image in the eyes of all stakeholders. It is this reputation which will keep the business going.

❖ **STAKEHOLDERS SANCTION BUSINESS**

A successful business can be established and sustain its growth with the support of certain stakeholders for instance, the employees, investors, consumers, etc. It thus becomes the responsibility of a flourishing entity to pay back these stakeholders. In case of persistent neglect by the companies towards CSR, consumers would switch to another company's products and services, speak out against it to family/friends, refuse to invest in that company's stock, etc. Similarly, due to lack of motivation, the employee turnover would be high and the company would fail to recruit proficient staff. A culmination of these factors would put the company to a catastrophic end.

ARGUMENTS AGAINST CORPORATE SOCIAL RESPONSIBILTY

❖ **BUSINESS OBJECTIVE: PHILANTHROPY OR PROFITS**

Acts of philanthropy may be a motivating factor for businesses to engage themselves in CSR activities however; it cannot be ignored that a commercial entity cannot be expected to act selflessly. Such futile deeds in the name of "social responsibility" would certainly imply an additional cost on the company which it would bear by raising the prices of its products/services. As an obvious

consequence, the corporate would lose on business. Furthermore, if such socially responsible behaviour is not emulated by its counterparts, the former would be steadily ousted from the market. Such type of perilous extravagance can thus, not be permitted**.** The whole notion of CSR is therefore, evidently against the proposition of a flourishing business and is unreasonably smuggled into the fiscal panorama.

❖ **A COMPANY IS NOT A CHARITABLE INSTITUTION**
Social welfare in a polity is the function of the Government. A corporate, on the other hand, comes into existence with the sole purpose of earning profits and producing wealth. It is not a charitable agency or a community service institution. In the modern competitive environment, where a business is already pressurized with the ponderous task of fulfilling the incessant demands of the market, social responsibility shall be an encumbrance for doing business. Theodore Levitt (1958), in his HBR article "The Dangers of Social Responsibility" appropriately cautions that, "Government's job is not business and the business's job is not Government". It is astonishing to note that in the guise of concepts like corporate social responsibility, the government has got a platform to conveniently evade its liability.

❖ **CORPORATES LACK THE ATTRIBUTES OF A SOCIAL WORKER**
Being an economic entity, corporates lack the skills, expertise and patience to combat the complex societal problems. The arena of CSR is still at a nascent stage and devoid of a precise or comprehensive definition. In such circumstances, if unnecessary pressure is inflicted on companies to indulge in CSR activities, it may lead to a conflict in interests, thereby jolting economic growth. It is thus, recommendable that a corporation is not coerced to do something in which it is deficient of competence.

❖ **POSSIBILITY OF EVASION**
Since the idea of CSR includes within its fold employee welfare initiatives and the like, companies in their CSR policies focus entirely on the same. As a consequence, they virtually seem to be socially responsible whilst not really contributing to an outside community or its development.

CORPORATE SOCIAL RESPONSIBILTY IN INDIA: AN

OVERVIEW

In the recent years, the trend of imbibing a socially responsible behaviour has become progressively prominent in the Indian corporate scenario. This phenomenon can be attributed to the increasing realization amongst corporations in India that for sustaining survival, it is vital to build trustworthy and sustainable relationship with the community at large, besides targeting profits simplicitor. Another key driver of CSR programmes herein is the myriad socio-economic challenges the country is facing. This, accompanied with the limited resources in the government's possession, has opened up an assortment of areas for corporates to contribute towards social development. The regime of social commitment in India involves innumerable initiatives undertaken by corporates such as, establishing social trusts, educational institutions, healthcare units; adopting environment friendly measures, avoiding unethical/deceptive advertising, incorporating a pro-consumer approach, providing medical and recreational facilities to employees, and the like.

As has been discussed, companies in large numbers are voluntarily redressing CSR issues in India. It is neither a novel concept nor confined anymore to corporates like the TATA Group or Aditya Birla Group, which have been well appreciated for serving the community ever since their inception. Unfortunately however, owing to the pitiable state of corporate governance, the CSR performance remains far from satisfactory. This, therefore necessitates, government intervention through an appropriate legislative and regulatory framework.

STATUTORY FRAMEWORK PERTAINING TO CSR IN INDIA

❖ COMPANIES ACT, 1956

The Companies Act, 1956 is silent on CSR thus making it a voluntary contribution.

❖ THE COMPANIES ACT, 2013

The Act, promulgated with an objective to make corporate regulations more contemporary, incorporates a provision pertaining to CSR exclusively under **Section 135**. It states that **every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more, or net profit of Rs. five crore or more, during any financial year, shall constitute a CSR Committee** of the Board, comprising of three or more Directors, including at least one

Independent Director, to formulate and recommend activities to the

Board, as specified in Schedule VII, for discharging corporate social responsibilities in such a manner that **the company would spend at least 2 per cent of its average net profits of the previous three years on the such activities.** The CSR committee shall also be required to recommend the amount of expenditure to be incurred on the activities referred to above and, to monitor the company's CSR policy from time to time. The Board of every company shall, after taking into account the recommendations made by the CSR Committee, approve the CSR policy for the company and disclose contents of the same in its report while also placing it on the company's website. If the Company fails to spend the stipulated percentage of profits towards CSR, the Board shall, in its report specify the reasons for not doing so. According to Schedule VII, CSR activities will include, eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief, funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and, such other matters as may be prescribed. The 2013 Act further provides that the company shall give preference to the local area and surrounding areas of its operation.

❖ **VOLUNTARY GUIDELINES ON CORPORATE SOCIAL RESPONSIBILITY**

These guidelines were issued by the Ministry Of Corporate Affairs In 2009. They Have Now Been Purified And Reinstated By The National Voluntary Guidelines On Social, Environmental And Economical Responsibilities Of Business 2011, with a view to assist the Indian corporate sector to evolve and transform into a global leader in the field of responsible business. The objective was to bring forth a more comprehensive set of directives that circumscribe the social, environmental and also, the economic responsibilities of business. The new Guidelines
aspire at mainstreaming the concept of "Business Responsibilities".

Accordingly, it uses the term "Responsible Business" instead of "Corporate Social Responsibility (CSR)" as the former encompasses the limited scope and understanding of the latter. **The Guidelines lay down nine Principles in total, each accompanied with the associated "Core Elements". While Principles 1, 3, 4 and 7, deal exclusively with corporate governance and disclosures; Principles 2, 5, 6, 8 and 9 focus on Corporate Social and Environmental Responsibility.**

Principle 2 states that, in order to function effectively and profitably, **businesses should provide goods and services that are safe and, contribute to sustainability throughout their life cycle.** It propagates that; **corporations should raise the consumer's awareness of their rights. Principle 5** emphasises that, **businesses should respect and promote human rights**. **Principle 6** remarks that **business should respect, protect, and make efforts to restore the environment. Principle 8** specifies that **businesses should support inclusive growth and equitable development.** It must focus on the overall advancement of the society. **Principle 9** endorses that **businesses should provide value to their customers and consumers in a responsible manner.** The principle recognizes that customers should have the freedom of choice in the selection and usage of goods and services. Also, businesses should **promote and advertise their products in ways that does not mislead or confuse the consumers.** Lastly, businesses should provide adequate **grievance handling mechanisms** to address customer concerns and feedback.

The Guidelines assume that one of the critical aspects of Responsible Business practices is that businesses should not just be accountable simplicitor, but they should also be seen as socially, economically and environmentally responsible.

JUDICIAL APPROACH TOWARDS CSR

Apart from the afore-mentioned statutory initiatives undertaken to ensure responsible corporate behaviour, even courts in India have taken due cognizance of the repercussions of a corporation's actions on society and environment. One such commendable judgement is that of the Supreme Court delivered in the case of **M.C. Mehta v. Union of India.** M.C. Mehta, a social activist lawyer, vide a petition, sought closure of Shriram Industries, located in a densely populated area of Delhi, as it was engaged in manufacturing hazardous substances. While his petition was pending, oleum gas leaked from one of its units affecting several persons. The Honourable Court gave

a landmark decision wherein, it went a step further from the Rule of Strict Liability laid down in the famous English case of Ryland v. Fletcher, and introduced the principle of "No-fault" or "Absolute" or "Stricter than strict" liability vis-a-vis enterprises engaged in a hazardous or inherently dangerous activity. It observed that, "such enterprises must conduct their activities with the highest standards of safety and, if any harm results therefrom, it must be absolutely liable to compensate for the same. It should be no answer to the enterprise to say that it had taken all reasonable care or, that the harm occurred without any negligence on its part".

The basis of the rule as indicated by the Court is two-fold:
- If permission is granted to an enterprise to carry on a hazardous or inherently dangerous activity and earn profits from the same, the law must presume that such permission is conditional. The said enterprise shall absorb the cost of any accident (including indemnification of all those who suffer harm in the mishap) arising on account of such activity. The Court, in such cases, shall entertain no excuse on the part of the enterprise.
- The enterprise is in possession of abundant resources guard against apparent risks and dangers and, to compensate the disaster.

The Court also held that the measure of compensation payable should be correlated to the magnitude and capacity of the enterprise, so that the intended deterrent effect can be attained.

The larger and prosperous the enterprise, the greater must be the amount of damages payable by it.

MC Mehta is also credited for the decision in the **TAJ TRAPEZIUM CASE** wherein he once again invoked the attention of the Honourable Supreme Court by filing a petition seeking relocation of industries located in the Taj Trapezium Zone (TTZ), emitting hazardous chemicals and gases which were a major source of causing air pollution in that area. It was contended that these emissions affected the beauty of the historical monument whilst also being the cause of ill-health of the people inhabiting the quarter. Consequently, the Court ordered the shifting of such industries from the TTZ in a phased manner thereby giving recognition to the notion of social and environmental responsibility of business.

The **Madras High Court** in its judgement **T.S. ARUMUGHAM v. LAKSHMI VILAS BANK LTD. AND OTHERS** while duly recognizing the concept of CSR held that, "In the light of the changing socio-economic concepts and values, a company is regarded as a

living, vital and dynamic, social organism with firm and deep-rooted affiliations with the rest of the community in which it functions. Apart from capital, there is another equally important factor of production namely, labour. Then, there are the financial institutions and depositors, who provide the additional finance required for production, and, lastly, there are the consumers and the rest of the members of the community who are vitally interested in the product manufactured by the concern. In recent times, there is considerable thinking on the subject of social responsibilities of corporate management and it is now acknowledged even in highly developed countries like the United States and England, that maximisation of social welfare should be the legitimate goal of a company. It should be responsible not only to shareholders but also to workers, consumers and the other members of the community and be guided by considerations of national economy and progress."

While upholding the interests of employees in case of winding up of the company, as part of the latter's social responsibility, Honourable Supreme Court in NATIONAL TEXTILE

WORKERS UNION v. P.R. RAMKRISHNAN AND OTHERS

held that, "the Court in a winding-up proceeding may require or permit any employee to appear at any stage of a winding-up proceeding and hear him, if the Court be of the opinion that the employee or the employees should be heard". It acknowledged the social responsibility of a corporate and remarked that, "The concept of a company has undergone radical transformation in the last few decades. The old nineteenth century view which regarded a company merely as a legal device adopted by shareholders for carrying on trade or business as proprietors has been discarded and a company is now looked upon as a socioeconomic institution wielding economic power and influencing the life of the people. A company, according to the new socio-economic thinking, is a social institution having duties and responsibilities towards the community in which it functions and one of its paramount objectives is to bring about maximisation of social welfare and common good. This necessarily involves reorientation of thinking in regard to the duties and obligations of the company not only vis-a-vis the shareholders but also vis-a-vis the rest of the community affected by its operations such as workers, consumers and the Government representing the society."

CONCLUSION

Corporate Social Responsibility has today become a business necessity. It forms an integral part of the corporate strategy and is approached in a more organized fashion. Nowadays, companies have special teams devoted towards devising, planning and executing CSR policies and strategies.

Unfortunately however, social responsibility vis-a-vis the Indian corporate sector, endures from perpetual neglect and apathy. The emphasis is not on societal upliftment but rather on a policy that requires implementation. As an outcome of such outlook, most of the CSR policies are faltering and shallow. They are often looked upon as mere tax sheltering devices.

Prior to the promulgation of The Companies Act 2013, what made the scenario worst was the voluntary nature of CSR in India, devoid of any enforcement mechanisms or legal outcomes.

The worst Indian experience emphasizing this shortcoming is the BHOPAL GAS TRAGEDY CASE of 1984 which is often cited as the greatest industrial disaster in the world that took place at the Union Carbide pesticide plant in the city of Bhopal, Madhya Pradesh. At midnight, on December 3rd 1984, the plant accidentally released methyl iso-cyanate (MIC) gas, exposing more than 500,000 people to its aftermaths. Almost twenty eight years after the gas leak, 390 tonnes of toxic chemicals abandoned at the Union Carbide plant continues to pollute the ground water in the region thereby affecting thousands of residents dependent upon it. The victims continue to be plagued with a host of problems with no solution in sight. The Central Bureau of Investigation had sought a review of the Supreme Court judgment of 1996 in the matter that diluted charges against the accused from culpable homicide not amounting to murder to criminal negligence. This led to lighter punishment for all the accused on June 7th, 2010, when a Bhopal court had sentenced seven former Carbide executives, including former Union Carbide India Limited (UCIL) Chairman Keshub Mahindra, to two years in jail. They were granted bail immediately. Asking the court to reconsider its ruling, the CBI had said, "The men behind one of the world's biggest industrial catastrophes should not walk away with a minimal punishment of two years despite ample evidence to show the commission of an offence of homicide." The Supreme Court vide its judgment dated May 11th 2011 rejected the curative petition so filed by the CBI sparking a nationwide outrage. The decision is a clear indication of how the Indian Courts, in the absence of a stringent legislation, in few cases failed to address the grievances of the victims affected by the irresponsible behaviour that corporations exhibit. Courts have shown the tendency to simply consider the technical points of the law and not the gravity of the repercussions of the company's acts on society and other stakeholders.

The Companies Act 2013 is a historic piece of legislation that has been enunciated to regulate Indian companies. For the first time ever, corporate social responsibility has received legal sanctity. However, there are still certain issues which need to be addressed. Firstly, there is a debate as to whether penal consequences should emanate on failure to spend on CSR activities or simply an explanation in the directors' report is a sufficient sanction. Also, in case of non-profitable companies falling under the designated category, reluctance in compliance might be witnessed. Further clarity is required in what all constitutes CSR

activities as the list specified under Schedule VII of the Act seems like an inclusive and not exhaustive list. Also, the CSR provisions under the 2013 Act require a minimum of 3 directors for the constitution of the CSR committee, clarification is needed as to whether qualifying private companies would be required to appoint a third director to comply with the CSR provisions. The Act is thus at a nascent stage and there are certain ambiguities which need to be resolved. It is too early to say how far the legislation will go in labouring a "well behaved" corporate.

It may hereby be concluded that, social transformation cannot be brought forth in isolation. Having vast resources under its control, corporates undoubtedly have the adeptness to bring about social change. However, this manpower and money must be collaborated with the expertise of NGOs and government, to successfully place India's social development on a faster track. Also, enacting a legislation simplicitor would not be of much help unless it is backed by stringent consequences for non-observance. The implementation of the law must be taken care of. Lastly, a transition in the approach of the corporates towards CSR is the need of the hour. Self-regulation is the paramount remedy.

References

www.mallenbaker.net/csr/definition.php; as retrieved on 20th March, 2013.

"Forward" by R.P.N Singh, Minister Of State, Corporate Affairs; in the National Voluntary Guidelines, 2011; as retrieved from www.nfcgindia.org/library.htm; on 19th March, 2013.

Mansie Shah, "Emerging Trends in Corporate Social Responsibility"; Company Law Journal, 2009 June (2); at Pg. 161.

Rana Rajat, "Corporate Social Responsibility-Doing business as if people matter"; Corporate Law Adviser 2006 Jan. 70; at Pg. 30.

"Corporate Social Responsibility/India CSR"; www.indiacsr.in/en/?tag=corporate-social-responsibility as retrieved on 10th December, 2013

"Message" by Murli Deora, Union Minister, Corporate Affairs, Ministry of Corporate Affairs, in the National Voluntary Guidelines 2011 as retrieved from www.nfcgindia.org/library.htm; on 19th March, 2013.

Balasubramaniam N, "Economic Reforms, Corporate Boards and Governance"; Article published in book titled "Corporate Governance, Economic Reforms and Development-The Indian Experience"; edited by Darryl Reed and Sanjoy Mukherjee; Oxford University Press; 2004 Edition; a2004 Edition; at Pg. 70   Supra Note 1   Supra Note 3

Inputs from Nigam R.S. and Rao V.S.P; "Corporate Social Responsibility: A myopic doctrine"; Chartered Secretary 1984 Jan; 14; at Pg. 7

Inputs from Nigam R.S. and Rao V.S.P; "Corporate Social Responsibility: A myopic doctrine"; Chartered Secretary 1984 Jan; 14; at Pg. 6 and, www.mallenbaker.net/csr/against.php; as retrieved on 20th March, 2013.

Ghose Soheli, "A look into Corporate Social Responsibility in Indian and emerging economies"; International Journal of Business and Management Invention, ISSN: 2319-801/2319-8028, Vol. 1 Issue 1; Dec. 2012; Pg. 22-29; as retrieved from www.ijbmi.org on 10th December, 2013

Ibid

Press Information Bureau, Government of India, Ministry of Corporate Affairs http://pib.nic.in/newsite/PrintRelease.aspx?relid=94905 Provision for Corporate Social Responsibility-Print Release

Ibid

"Implications of Companies Act 2013 Corporate Social Responsibility"; as retrieved from http://gtw3.grantthornton.in/assets/Companies_Act-CSR.pdf on 10th December, 2013

"Preface" by DK Mittal, Secretary, Ministry of Corporate Affairs, in the National Voluntary Guidelines 2011; as retrieved from www.nfcgindia.org/library.htm; on 19th March, 2013.

The Principles and Core Elements incorporated in the National Voluntary Guidelines 2011 as listed above are retrieved from www.nfcgindia.org/library.htm [National Foundation for Corporate Governance] and www.mca.gov.in; on 19th March, 2012.

Ibid

AIR 1987 SC 1086

Inputs from www.indiankanoon.org/doc/1188/746; as retrieved on 30th March, 2013. Ibid

M.C. Mehta v. Union of India; WP No. 13381/1984 (20.02.2003)

www.elaw.org/node/2531; as retrieved on 30th March, 2013.

1994 80 CompCas 814 Mad; (1992) IILLJ 210 Mad

Retrieved from www.indiankanoon.org; on 10th December, 2013

1983 AIR 75, 1983 SCR (1) 9 Supra Note 26

www.gits4u.com; as retrieved on 10th April, 2013.

www.ndtv.com; as retrieved on 10th April, 2013.

MUTUAL FUND: ALL TIME SOURCE OF INSPIRATION FOR INVESTOR'S HUB

Dr. Richa Singhal
Assistant Professor
S.S.Jain Subodh P G College, Jaipur

ABSTRACT

During Last few years Indian capital market is changing tremendously due to emerging global economic processes. In Industrial financial sector the result of the government policy develop new financial instruments and occupy mutual fund industry by imparting competitiveness, flexibility and efficiency to the financial sector. According to investors capacity to bear risk and gain will and wishes various types mutual fund product are introduced in Indian Capital Market that proved one of the important investment growth. Fund manager play an important role by prioritization, preference building and close monitoring of mutual funds. According to differentiate choices of investors for high gain and high risk, balanced risk and gain or the minimum risk and minimum gain it became the best possible alternative for the small investors with changes in the bank interest rates, frequent fluctuations in the secondary market and the inherent attitude of Indian small investors to avoid risk.

The objective of the article was to analyze the impact of increasing the investment of mutual funds on wealth creation by gather the statistics about the investment of savings in prominent mutual funds. The investor's priority is also judged filled by them a questionnaire and finding out the influencing factors that play a important role in the bending towards mutual fund.

Key words: *Indian Capital market, Bank interest rates, prioritization, preference building and close monitoring.*

INTRODUCTION

MUTUAL FUND plays a remarkable role in the development of the financial market. It pools money from many investors and invests it in stocks, bonds, short term money market instruments, and other securities. The fund manager deals with the fund's underlying securities, realizing gains or losses, and collects the dividend or interest income.

According to SEBI, 1993 " A fund established in the form of the trust by a sponsor to raise monies by the trusties through the sale of units to the public under one or more schemes for investing in securities in accordance with these regulations."

All mutual funds whether governed by public sector, private sector or foreign entities have to follow the same set of rules regulations set by SEBI. The risks probability is also remains in the same range by all these entities.

LITERATURE SURVEY

Roy and Deb (2004) evaluated Indian mutual funds on the issue of performance persistence by using Fama and MacBeth (1973) methodology. They studied 133 open ended Indian mutual funds over a period 1992–2003 and found that past fund performance predicts the future fund returns significantly [136]. Among the studies conducted on performance persistence during late 2000's,

Agudo and Magallon (2005) studied European equity funds in Spain for a period of July, 1994 to June, 2000 by using parametric and non-parametric techniques. The parametric tests indicated scarce existence of persistence in the performance while non-parametric methodology revealed the existence of same [2].

Christensen (2005) analysed 47 Danish mutual funds for a period of January, 1996 to June, 2003 by applying both parametric and non-parametric methodologies and concluded that the returns for Danish mutual funds were non persistent [45].

Sehgal and Jhanwar (2007) examined a sample of 59 mutual fund schemes for the period of January, 2000 to December, 2004 and found no evidence of performance persistence [138].

However, mixed results were obtained by **Deb. (2008)** when they tested equity mutual funds in India over a period from January 2000 to 55 June 2005 for raw returns, tracking error and information ratio. They found persistence in performance in case of growth funds, but no such evidence was found in case of equity linked saving schemes [50].

OBJECTIVE OF THE STUDY

The objective of the study is to understand the growth of Mutual Fund Industry in India and to analyze whether this investment tool has substantial effect on wealth creation or not.

In order to examine the issues, this paper has the following objectives before it:

- ☒ To identify the investors increasing interest in Mutual Fund products .

- ☒ To understand the investment preferences among investors.

- ☒ To analyze the substantial effect of mutual fund on wealth creation.

- ☒ To identify the influencing factors of the behavior of investors.

SOURCES OF DATA

. **Qualitative Data and or Primary Data**

- ☒ Use of primary data collected through interviews and questionnaire.

. **Quantitative or Secondary Data**

- ☒ Print/Electronic Data Sources

- ☒ Monthly reviews of AMCs Magazines and Journals, Website of the Mutual fund companies

- ☒ Other websites related to mutual funds as amfi.com, moneycontrol.com, valueresearch.com etc.

- ☒ Other Data Sources Fact sheets.

Research Methodology is a way to systematically solve the research problem. It will assist me in achieving the main objective of the study in an effective and efficient manner. The study will be based on a survey of around 200 respondents through a questionnaire covering different groups of investors out of which an effective sample will be taken. Respondents will be both new clients and existing investors. The data obtained will be analyzed by using frequency analysis, factor analysis and correlation for identification of the key features preferred by the respondents in a mutual fund product. These analysis methods are used because of a number of reasons like:

- ☒ They will help us to know which investment option is the most favored by the investors, What is the income group, age group and occupation of people who are interested in investing,

☒ What is the cause of people investing or not investing in mutual funds,

☒ What holds a priority in financial decision making i.e. Whether risk or return or both,

☒ For people who are investing in mutual fund what factors play an important role while judging a fund and investing in it.

LIMITATIONS OF THE STUDY

☒ Sample size is limited to 200 investors in Jaipur only. The sample size may not adequately represent the universe as a whole.

☒ This study has not been conducted over an extended period of time having both market ups and downs. The market state has a significant influence on the buying patterns and preferences of investors.

FINANCIAL ANALYSIS

All Said And Done But Until And Unless A Practical Revelation Is Made No Learning Is Complete. For The Same I Have Chosen Mutual Fund: All Time Source Of Inspiration For Investor's Hub As My Study Area, Wherein I Have Compared Mutual Fund With Other Investment Options And Now Will Survey Investors' Preference In This Regard. It Will Involve Both Practical And Theoretical Analysis. This Study Will Help Me In Classifying The Investors In Groups Of Conservative, Moderate And Aggressive And Thus Help Us To Identify Their Needs And Provide Them Solution Accordingly.

This study will involve filling a questionnaire by the clients which will help in profiling the investors on the basis of answers provided by them. This will help to judge the popularity of mutual fund among the various investment options available to the investors nowadays.

QUESTIONNAIRE

The questionnaire designed to get the investors viewpoint on mutual fund and surveying their preference of investment avenues is given in the annexure.

ANALYSIS OF PRIMARY DATA

On the basis of outputs (which are shown in the annexure) the various factors which are taken into consideration while deciding

about buying of a mutual fund can be interpreted. These ranges of factors begin with investor perception, the promised return, the attractiveness of the offer, etc. With references to earlier studies, all the relevant variables in the purchase of a mutual fund were included in the study.

RELIABILITY AND VALIDITY

In order to check the reliability and validity of the data, I had kept some similar kind of variables in the questionnaire like security and attitude towards risk. This would help in judging the accuracy of answers and will also help in making the interpretations. Also I have got the questionnaire verified by the company guide several times before starting to use it in the survey.

In order to increase the reliability and validity, I have excluded the questionnaires filled by those respondents who had a varied opinion on the similar kind of variables. For example someone who's most important criterion for financial decision making is security and his answer for investment option is shares then that is sure a fake answer and who thus should not be included in analyzing or else it would lead to wrong interpretations.

Thus out of a total of 200 samples covered, only 168 is taken to be the effective respondents who are been evaluated. The forms were rejected due to incompleteness, inaccuracy of data, mismatched answers, etc.

PRIORITY IN DECISION MAKING

The tables shown below provide details of ranks allocated to the factors that hold priority in the financial decision making for an individual. The factors considered are RISK, RETURN, SECURITY and LIQUIDITY. They are been given ranks from 1 to 4. Every individual consider them and gives them importance on the basis of their investment objective, risk-return attitude, age, income level, amount invested etc. An analysis of them is given below:-

Priority of Decision Risk

	Frequency	Percent	Valid Percent	Cumulative Percent
valid1	84	50.0	50.0	50.0
2	18	10.7	10.7	60.7
3	12	7.1	7.1	67.9
4	54	32.1	32.1	100.0
Total	168	100.0	100.0	

This frequency table shows the priority that **RISK** carries in making the financial decision. 1-4 are the ranks allocated to this factor. Here we see that 50% of the investors have chosen risk as the most important factor of their decision making. This means that investors consider the risk involved in the investment option before making any investment in it. But for 32.1% people it is also the last thing to be considered i.e. they are aggressive investors who give importance to returns and liquidity.

Priority of Decision Return

	Frequency	Percent	Valid Percent	Cumulative Percent
valid1	18	10.7	10.7	10.7
2	33	19.6	19.6	30.3
3	28	16.7	16.7	47.0
4	89	53.0	53.0	100.0
Total	168	100.0	100.0	

This frequency table shows the priority that **RETURN** carries in making the financial decision. 1-4 are the ranks allocated to this factor. Here we see that 53.0% of the investors have chosen return as the least important factor of their decision making. This means that people invest their money not only looking at the return given by investment option but they may also look at the security and liquidity been provided by investing in it. Rank 1, which signifies that it is most important factor, is given by only 10.7% of the investors.

Priority of Decision Security

|	Frequency	Percent	Valid Percent	Cumulative Percent
valid1	24	14.3	14.3	14.3
2	78	46.4	46.4	60.7
3	48	28.6	28.6	89.3
4	18	10.7	10.7	100.0
Total	168	100.0	100.0	

This frequency table shows the priority that **SECURITY** carries in making the financial decision. 1-4 are the ranks allocated to this

factor. Here we see that out of 168 respondents, 48 i.e. 46.4% of the investors have chosen security as the second most important factor of their decision making. They count security provided by an investment option just after considering the risk associated with it. 28.7% people have considered it the third most important factor also. This factor is given more importance by either a retired person or a middle income group earning individual.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	12	7.1	7.1	7.1
2	24	14.3	14.3	21.4
3	68	46.4	46.4	67.9
4	54	32.1	32.1	100
Total	168	100.0	100.0	

This frequency table shows the priority that **LIQUIDITY** carries in making the financial decision. 1-4 are the ranks allocated to this factor. Liquidity means the ease provided by the fund in depositing and withdrawing money as and when required. Its importance depends on an individual's requirement of fund and time duration of investment because if a retired person invests money in any of the investment option then he would pay importance to liquidity factor. Out of 168 investors 78, i.e. 46.4% people give it 3rd rank. This is because of the fact that the investors comprises of majorly people of age group 25-35 who want to make long term investments so they rarely think about the liquidity involved in the investment option.

A collective result of these factors that hold priority in financial decision making for an investor is as follows:
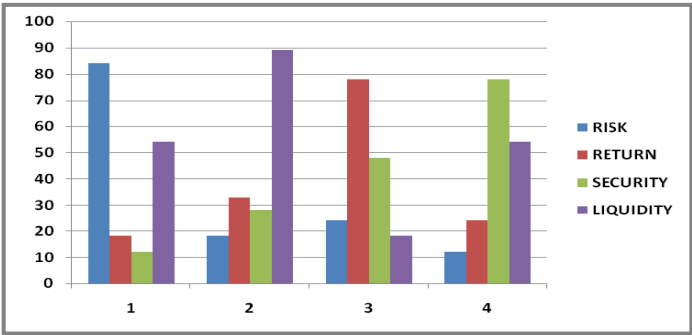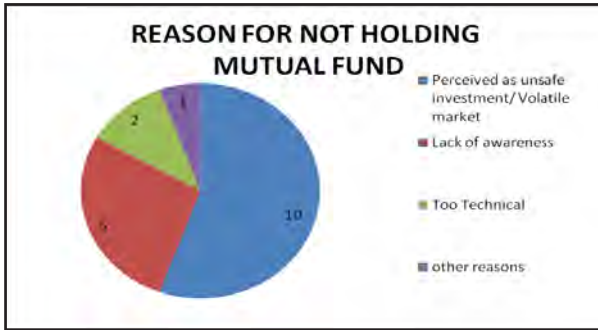
The above pie graph shows the reasons for not holding mutual funds by certain investors. Some of the reasons that came up while learning about mutual funds where lack of awareness, too technical, perceived as unsafe investment, volatile market, not interested, extra expenses involved, not meant for low earning people, etc. out of them only lack of awareness, too technical, perceived as unsafe investment, volatile market were taken into consideration and rest were clubbed into other reasons. Here we see that out of 168 respondents only 18 do not know about mutual funds.

The reason that holds top priority for not investing is perceived as unsafe investment/volatile market, this may be because of the current fluctuations in the stock market as well as the change in market conditions due to hike in inflation rate. Even 5 out of 28 respondents gave lack of awareness as their answer. This means that still mutual funds are in their initial stage and the Asset Management Companies (AMC's) really need to promote themselves harder to come into the investment purview of people and prove *“MUTUAL FUND: ALL TIME SOURCE OF INSPIRATION FOR INVESTOR'S HUB”.*

Mutual funds normally come out with an advertisement in newspapers publicize the date of lift off the new schemes. Investors can also contact the liaison and distributors of mutual funds who are spread all over the country for necessary details and application forms. Now a day, the post offices and banks also deal out the units of mutual funds .However, the investors should consider that the mutual funds schemes being marketed by banks and post offices should not be taken as their own schemes and no assurance of returns is given by them. The only role of banks and

post offices is to help in deal off mutual funds schemes to the investors.

Investors should not be bring away by commission / gifts given by liaison / distributors for investing in a particular scheme. On the other hand they must contemplate the track record of the mutual fund and should take objective decisions.

CONCLUSION

Customer orientation is necessary in a market like India where the market is turning competitive due to large number of players with varied financial instruments. This study has made an effort to understand the financial behavior of MF investors in connection with the plan preference and selection.

Running a successful MF requires complete knowledge of the peculiarities of the Indian Stock Market and also the persona of the small investor. This study has also strive to understand the investment behavior of an individual. Hence, surveys similar to the present one need to be performed at intervals to develop useful models. Nevertheless, it is hoped that the survey findings will have some useful managerial implication for the AMCs as well as for the distributing firms in their product designing and marketing.

We see that an investment reward is a function of risk. But mutual funds help to reduce risk through diversification and professional management. The practice and expertise of mutual fund managers in selecting fundamentally sound securities and timing their purchases and sales help them to build a varied portfolio that minimizes the risk and maximizes the returns.

After analyzing all the data I have come to a conclusion that Mutual funds have substantial positive impact on the wealth creation of an individual which is reflected by the huge number of purchases made by them with the increase in the years of their inception and thus the increase in the size of Asset Under Management (AUM).

Also every fund has its unique time of selling and redemptions thus a cycle is meant to be followed and this leads to growth of the Asset Management Companies. The change in equity market, economic conditions, stock movements, weather, rupee appreciation, and various other factors do form a point of concern but still the effect of all of them combined is very little so leas to hamper their performance.

Mutual Funds, a pool of like-minded people allow investors to reap the benefits of a diversified, well researched and an actively managed portfolio, without having to worry about liquidity.

An investor avails an annualized return of 25-30% after considering the inflation. The beauty of the return is that these returns are tax-free. Any income from redemption of Mutual Fund after one year forms part of long term capital gain and thereby income is completely tax free. In fact, the ELSS (Equity linked Saving Schemes) is giving on an average an annualized return of 30-35%, which is tax-free return.

With the structural liberalization policies no doubt Indian economy is likely to return to a high grow path in few years. Hence mutual fund organizations are require to upgrade their competence and technology. Success of mutual fund however would highly depend upon the implementation of changes and adjusting itself to the fluctuations in the external environment.

At last to mention, as long as mutual fund companies are performing with lower risks and higher profitability within a short span of time more and more people will be inclined to invest.

SUGGESTIONS

It is important to study the present industry scenario to gain a better understanding of the impediments to the growth of the industry:

❖ **PAUCITY OF INVESTOR AWARENESS:**

Retail investors had a wrong opinion about mutual funds as an investment avenue. The advantages of risk diversification, professional management and ease of administration involved while investing in mutual funds are not clearly established. Knowledge of financial products is inbuilt in school and college curriculum in countries like UK, US and France and the same should be followed in the Indian context too.

❖ **INVESTOR RISK APPETITE:**

Equity funds account for 30% of the total AUM in India. This figure is more than 50% in most developed countries. Frequent stock market scams and the bust of technology sector specific MFs have contributed to this worry. The growth in mutual funds has come through the development in contribution in short term instrument like Money Market Mutual Funds which account for 40% of AUM.

❖ HIGHER RETURNS OF ALTERNATIVE DEBT INSTRUMENTS:

Government guaranteed schemes provide risk free returns at competitive rates of returns. This is why mutual funds are facing difficulty in competing with the retail business. So the companies should compete on this factor and try to overcome it.

❖ CONCENTRATION OF CORPORATE INVESTORS:

Mutual funds have become overly attractive to corporate investors because of higher returns than bank deposits and ability to share capital gains tax. Corporate investors account for 57% of the AUM (by value). Though the turnover rates have increased the average fund in management has grown by only 25% in the past 4 years which shows the lack of growth in funds under management in India because of the absence of long term investors. Thus it should also be promoted as a retail product for everyone who wants to invest.

❖ DISTRIBUTION:

One of the major factors impacting the growth of mutual fund industry is the absence of any regulation in distribution of mutual funds. Mutual fund investors need to share who are able to inform them about the efficacy of distribution product for a particular risk profile and stage in life cycle. Lack of distributor awareness and the absence of any disclosures from distributors make wrong selling of MF products commonplace. Also penetration in rural areas is a problem. Only 3% of rural households own mutual funds. So the companies so work on this aspect also and try to penetrate this investment option to every village and city to earn revenues and profits along with providing a better investment option to people.

REFERENCES

1) Chandra Prasanna, *"The Investment Game"* Tata Mc- Graw Hill Publishing, New Delhi.

2) Dave, S. A. ,"Mutual Funds: Growth and Development" The Journal of the Indian Institute of Bankers, Jan – March, 1992.

3) Desai Vasant , "Indian Financial System" Himalaya Publishing House, New Delhi.

4) Fisher Donald E. and Jordan Ronald J., "Security Analysis

and Portfolio Management" Prntice Hall of India, Pvt. Ltd. Sixth Edition, New Delhi.

5) Pathak Bharati V., "Indian Financial System" Pearson Education Publishing, New Delhi.

6) Ramola K.S., "Mutual Fund and the Indian Capital Market' Yojana, Vol. 36, No.11, June 30, 1992.
7) Vyas ,B.A.”Mutual Funds- Boon to the Common Investors” Fortune India, July 16, 1990.
 www.amfiindia.com
 www.moneycontrol.com
 finance.indiamart.com
 www.fool.com
 www.articlesbase.com
 www.hsbcinvestments.co.in
 www.investorwords.com
 www.mutualfundsindia.com.

QUESTIONNAIRE FOR SURVEYING CONSUMERS PREFERENCE REGARDING MUTUAL FUND IN INDIA

NAME:

DATE: **MARITAL STATUS:**

GENDER:

ACADEMIC QUALIFICATION:
1. What is your age?
☐Below 25   ☐ 25 to 35   ☐ 35 to 45   ☐ 45 to 55
☐55 and above
2. What is your occupation?
☐ Govt. Employee
☐ Self Employed
☐Student
☐ Professional (Doctor, CA, Engineer etc.)
☐ Other
3. How much is your average annual income?
☐ Below Rs.300000
☐ Rs.300, 000 to Rs.800, 000
☐Rs.800, 000 to Rs.1300, 000
☐ Rs.1, 300, 000 to Rs.2, 000, 000
☐Rs.2, 000, 000 and above
4. How much do you save annually?
☐ 0% to 5%

☐ 5% to 15%

☐ 15% to 30%

☐ 30% to 45%

☐ 45% or more

5. In the next five years, you expect that your income will:

☐ Decrease slightly

☐ Remain about the same

☐ Increase slightly

☐ Increase dramatically

6. What is your primary objective for investment?

☐ Saving the Principal Amount

☐ Current Income

☐ Growth and Income

☐ Low Growth

☐ High Growth

7. Which of these investment options are you most comfortable with?

☐ Equity Shares, Preference Shares, Debentures, Public Sector Bonds, Savings Certificates, Gilt-Edged Securities and Money Market Securities

☐ Bank Deposits, Post Office Deposits, Company Fixed Deposits, Provident Fund Schemes, National Savings Schemes and Life Insurance.

☐ Real Estate, Gold & Silver, Precious Stones, Rare Coins & Stamps and Art Objects.

☐ If mix of above, Please specify _____

_____

_____

8. Are you satisfied with the returns from your investments?

☐ Unsatisfied

☐ Somewhat Satisfied

☐ Indifferent Satisfied

☐ Very Satisfied

9. What is your appetite for risk and return?

☐ High risk high return

☐ Low risk low return

☐ High risk low return

☐ Low risk high return

10. Rank them according to the priority they hold in your financial decision making:

(1 being most important and 4 being least important)

☐Risk   ☐Return   ☐Security ☐Liquidity

11. You would prefer to have:

☐ Minor rise and fall in the value of your account, but regularly earn a lower return on your investments.

☐Some rise and fall in the value of your account, but earn a normal return.

☐Noticeable monthly rise and fall in the value of your account, but earn a higher return. ☐Noticeable daily rise and fall in the value of your account, but earn the highest possible return.

12. What is the time horizon for your investment?

☐Very short (2- 4weeks)

☐ Moderate (around 1 year)

☐ Long (1 – 5 years)

☐Very long (more than 5 years)

13. Have you ever used mutual funds as an investment tool?

☐ Yes

☐ No

If 'yes' then move to next question or else please move to following questions.

14. How did you come to know about Mutual Fund?

☐ Print Media (Newspapers / Magazines)

☐ Electronic media (TV / Internet)

☐ Brokers / Agents

☐ Word of Mouth

15. For how long have you been investing in mutual funds?

☐Less than 1 year

☐1 to 3 years

☐3 to 5 years

☐5 years or more

16. What is the reason for not holding Mutual Fund? Lack of awareness Tool technical Perceived as an unsafe investment/ volatile market Others, please specify⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽

⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽

Suggestions: ⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽

⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽

⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽

⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽⎽

A STUDY OF CONSUMER BEHAVIOUR TOWARDS SOURCES OF BUYING THE LIFE INSURANCE POLICY IN RAJASTHAN

Dr. Davendra Kumar Sharma,
Assistant Professor
S. S. Jain Subodh P G
(Autonomous) College, Jaipur.

Sudhir Sharma,
Research Scholar,
Jagannath University, Jaipur

ABSTRACT

With the privatization of the Indian insurance sector in 2000, competition among the insurance players has increased manifold and each insurance company is coming up with innovative channels and insurance plans to meet the needs of different people.

This is due to the fact that, apart from the company's direct agents and development officers, resort to several distribution channel such as banks, corporate agents, referrals, channel partners and broking firms to reach out the message. The distribution channels are often found to be incompetent in the marketing aspects of the insurance products of the customers. So customers are mainly purchasing their life insurance products from different sources.

The present study basically is depending on the questionnaire survey method. The primary data are collected from life insurance customers, which are an essential ingredient for this kind of endeavor. The study of consumer helps the life insurance companies to improve essential ingredient by understanding issues such as the psychology of consumers think, feel, reason and select among different alternatives like distribution channel such as banks, corporate agents, referrals, channel partners and broking firms

Keywords: *Manifold, Innovative channels, Essential Ingredient, Endeavor, Referrals,*

INTRODUCTION

The life insurance industry in India has undergone major structural changes since its liberalization in the year 2000. The entry of the foreign & private Indian players, subsequent to the recommendations of the Malhotra committee, has manifold increased the expectations of the customers in all areas relating to the customer service.

This study aims to present the consumer behaviour of life insurance services in Rajasthan. Life Insurance need for a coherent picture by examining the competing theories of human behaviour and exploring their relevance for

policy. The first major task will be to carry out an in-depth analysis of the relevant literature. Drawing on contemporary and historical writing from as far afield of social anthropology, neoclassical economics, cultural theory and evolutionary biology, the research will draw out the key assumptions underlying different conceptions of human motivation and consumer choice. This review will attempt to identify the key resonances and dissonances between the different viewpoints and highlight their relevance for our understanding of consumer behaviour.

LITERATURE REVIEW

Most of the studies concerned with consumer bahaviour and life insurance services have been undertaken in various countries with different marketing environment. However, for a variety of reasons, studies investigating this critically important aspect of life insurance marketing are sporadic in our country.Consumerbahaviour in life insurance services a intriguing phenomenon has been a subject of study. A brief review of such dispersed efforts of research in the field of life insurance available with the researcher is attempted in the following paragraphs.

Delener (1992) found that in the traditionally male dominated cultures where the father is seen as the absolute head of the family and has full authority such as the Latin Americans, the Italian Americans and the Irish Americans, the husbands were the major influencer in making purchase decisions. This was in contrast to the Cubans and Puerto Rican Americans where there was more joint decision making.

Black and Skipper, 1994 examined the variable life insurance policies were originally designed to provide an inflation hedge for both the death protection and savings elements of the policy.

Shibashish Chakraborty, explores the need for life insurance companies to market their products with the right mix of the needs and preference of customers that will determine the success of the company as the Indian insurance sector has become a buyer's market. It also describes the pertinent factors that influence the customer's choices. They must devise a marketing strategy that will appeal to all segments of customers.

Shanmugham (2000) conducted a survey of 201 individual investors to study the information sourcing by investors, their perceptions of various investment strategy dimensions and the factors motivating share investment decisions, and reports that among the various factors, psychological and sociological factors dominated the economic factors in share investment decisions.

Bhat and Jain (2006) analyses the factors that affect health insurance purchase decision in a micro health insurance setting. The study was based on a household survey in the Anand District of Gujarat in India. The research focused on analyzing two separate but inter-related decisions. The first

78

decision that the household takes is whether to buy health insurance policy and if the decision to purchase is positive, the next decision that follows is the extent (total coverage) of purchase.

G. Gopalkrishna (2008) found that the term assurance and pure endowment cater to the primary elements of life insurance products namely, death cover and survival benefit. A number of products can be developed by adding, altering or changing their features. The changing needs of the customers must be kept in mind and many value added plans must be generated by the insurers. He also describes the various plans offered by the sector like convertible plan, variable insurance plans, and joint life policies to name a few.

OBJECTIVES OF THE STUDY

The studies on consumer behaviour of life insurance services and investors' perceptions of life insurance services assume greater importance. The specific region/sub-region studies capture how far life insurance services culture have spread to different areas and regions of the state of Rajasthan. Such studies point out the need for promoting awareness of life insurance services and attracting the attention of life insurance investors and creating interest in life insurance and their products. In other words, the study is an attempt to explore whether there exists the satisfaction level of Life Insurance products of customer. The brand objectives of the present study can further be split in to the following detailed objectives:

1.   Outline the stages in consumer decision making process.

2.   Understand the concepts of search, experience and credence qualities and their implications on consumer decisions making process for services.

3.   To prepare the demographic profiles of life insurance policy holder in rural, urban, public and private sector respondents of Rajasthan state.

1.   To measure customer perception, purchase behaviour and consumer awareness regarding the life insurance industry.

2.   To assess the factors influencing the investors, regarding the investment decisions.

3.   To examine the satisfaction level of life insurance respondent customers regarding   customer services offered by the life   insurance company.

RESEARCH METHODOLOGY

Sample Type

In order to achieve the objectives of the present study, the primary data as well as secondary data have been used. The primary data for the research was collected with the help of the structured questionnaire for the life insurance consumers that were designed to achieve the objectives of the study. Discussions were held with the Branch Managers, Area Managers, Development Officers, Agents, Corporate Agents and other related persons of the insurance companies in getting additional information and suggestion. The secondary data was collected from various research papers, published reports of IRDA, journals, books, magazines, newspapers, and the websites.

Sample Size

I have chosen convenience sampling under non-probability sampling technique keeping all constrains in mind a sample size of 492 people is selected from the Rajasthan.Keeping in view the problem and the scope of the study, random and purposive sampling method of life insurance customers was adopted to select the respondent life insurance consumers in the allover 30 districts of Rajasthan to represent an overall picture of the state of Rajasthan.

Sample Area

The questionnaire designed specifically for the present study was administrated amongst the samples in the rural and urban areas of 30 districts to encompass a broad spectrum of life insurance customers in the state. This   sample contains a mix type of customer (Servicemen, student and businessmen) so as to remove any type be biased results.

Research Design

The questions included in the questionnaire were mostly dichotomous and multiple choice type, some of the questions required ranking or rating or alternatives by the respondents. Deliberately too some of the questions were kept open ended in order to elicit detailed response and opinion from the sampleThe questionnaires so administered to the life insurance respondents was in two parts- the first schedule consisting of question relating to the personal profile of the respondents viz., age, sex, annual income, family size, education, occupation, etc.. the second schedule comprised questions relating to the consumers performances, knowledge, interest or reason of purchase, consumer

motivation, impact of advertisings, impact of influence, decision making, post-purchase behaviour, satisfactory level about company, staffs, services, products, premium, return, believes, co-operative and communication, suggestions and so on..

LIMITATIONS OF THE STUDY

The present endeavor being a part of behavioural research therefore suffers from the subjectivity biases of the respondent's an integral limitation of behavioural research. As a matter of fact full proof method is yet to be evolved for objecting the possibility of errors, keeping in to such study.Consumer survey studies conducted through questionnaires method basically suffers from the limitations of the possibility of difference between experiences & facts, no matter how carefully the questionnaires has been designed and the responses recorded.

All these limitations notwithstanding, the findings and conclusions of a study of kind without doubt provide an empirical basis to the studies of the consumer behaviour in backward socio-economic set up like our where such efforts are scanty. As a matter of fact, consumer behaviour of life insurance services studies throughout the globe provides a new dimension to the existing literature. Therefore the importance of such studies can hardly be over emphasized.

SOURCES OF BUYING THE LIFE INSURANCE POLICY

With the privatization of the Indian insurance sector in 2000, competition among the insurance players has increased manifold and each insurance company is coming up with innovative channels and insurance plans to meet the needs of different people. There are several channels of distribution
for life insurance products such as sales through agents, brokers, and other intermediaries such as development officers, corporate agent and banks.
This is due to the fact that, apart from the company's direct agents and development officers, resort to several distribution channel such as banks, corporate agents, referrals, channel partners and broking firms to reach out the message. The distribution channels are often found to be incompetent in the marketing aspects of the insurance products of the customers. So customers are mainly purchasing their life insurance products from different sources

DATAANALYSIS

Table 1: Sources of Buying the Life Insurance Policy (Area-wise)

Sources	Urban	Percentage	Rural	Percentage	Total
Agent	141	45.93	98	52.97	239
D.O. or Corp. Agents	86	28.01	51	27.57	137
Banks	58	18.89	23	12.43	81
Others	22	7.166	13	7.027	35
Total	307	100.00	185	100.00	492
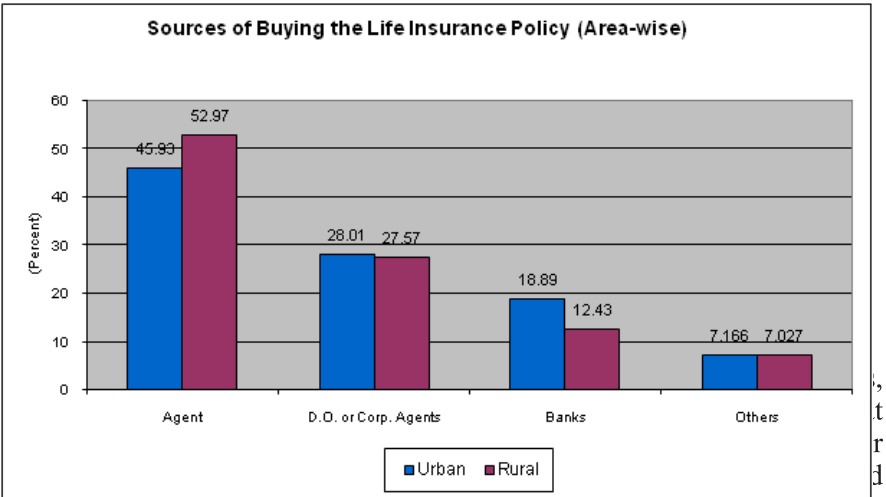
27.57 of rural through development officers or corporate agents and 18.89 per cent of urban and 12.43 of rural respondents have insured through banking like account basis. But only 7.166 per cent of urban and 7.027 per cent of rural respondents have to do the life insurance directly like self.

Table - 2: Sources of Buying Life Insurance Policy (Company-wise)

Sources	Public	Percentage	Private	Percentage	Total
Agent	168	48.84	71	47.97	239
D.O. or Corp. Agents	97	28.2	40	27.03	137
Banks	55	15.99	26	17.57	81
Others	24	6.977	11	7.432	35
Total	344	100.00	148	100.00	492
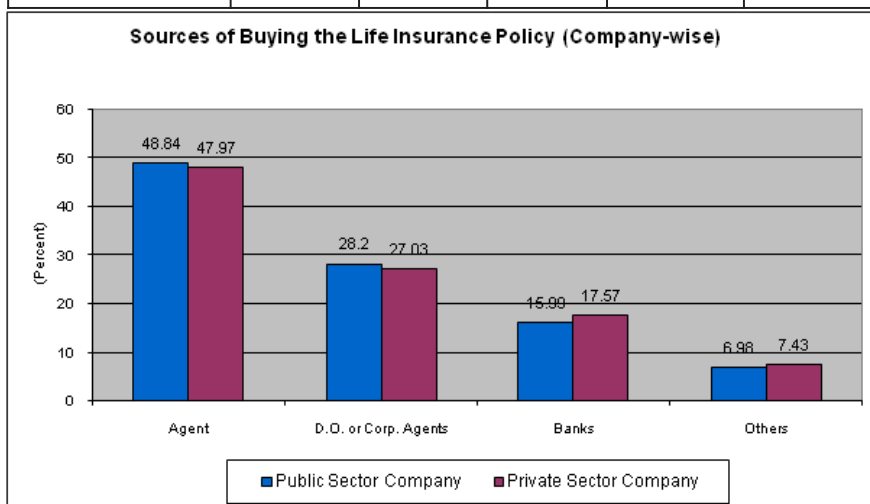
Table - 2 presents the classification of public and private sector respondents on the basis of sources of buying life insurance policy. People purchase the life insurance policy through agent, D.O. or corporate agents and bank etc. It shows that about 48.84 per cent respondents of public and 47.97 per cent respondents of private sectors have insured their life through agents, remaining 28.2 per cent of public and 27.03 per cent of private through corporate agents or development officers and 15.99 per cent of public and 17.57 per cent of private respondents have insured through banking like account basis. But only 6.977 per cent of public and 7.432 per cent of private respondents have done the life insurance directly them self at their own efforts.

FINDING

It is clear by Table - 1 that the main source of buying is the agents of the company, and the reason attributable for the same is due to availability of the agents' services to the customers at their door step followed byDevelopment Officer or Corp. Agents, Banks and others.

On the basis of Table – 2the main source of buying policy both for public and

private insurance companies is the agents of the life insurance company followed byDevelopment Officer or Corp. Agents, Banks and others.

Agent is the main bridge and tools of communication and motivates customers to company. For that instance maximum number of urban, rural, public and private sector respondents purchased the life insurance policies through the agents.

CONCLUSIONS

It has been concluded that the most of the sale of insurance product by the insurance agent and   followed byDevelopment Officer or Corp. Agents, Banks and others. The study of consumer helps the life insurance companies to improve their marketing strategies by understanding issues such as the psychology of consumers think, feel, reason and select among different alternatives like brand and products. The study leads to the following broad conclusion the consumer buying behavior in life insurance products is the complex process as a number of internal and external factors influence the consumers decision making process and consumption pattern. Life insurance service provided by the life insurance companies is under the categories of hybrid variety of services offering which consists of different types of products and services tied up with the products. Customer satisfaction can be

achieved by the quality of services which is an important aspect that life insurance business needs to be concentrated.

REFERENCES

BOOKS

· DhandapaniAlagiri and D. Vellongiri. "Life Insurance in India : Emerging Scenario", ICFAI University Press, 2008, P-8

· Harrison, Tina 2000, Financial Services Marketing, Pearson Education Limited, London. P-52

· IGNOU Management Material 'Consumer Behaviour' MS 61,block-1, P-6

· IGNOU Management Material 'Marketing of Services' MS 65, block-1, P-54

· IGNOU Management Material 'Marketing of Financial Services' MS 46, block-5

· J.C.Gandhi, Marketing- A Managerial Introduction,2001, P-4

· Kotler, P.(1997) Marketing Management. Analysis, Planning, Implementation and Control,9th edition. Prentice Hall

· Kotler& Armstrong, "Principles of Marketing" 2001, P-19

· Nair R Suja "Consumer Behaviour in India Perspective" Himalaya Publishing House, Mumbai,2006, P-1

· Palmer Adrian "Introduction to Marketing" P-87 to 120

· Schiffman, L.G. and L.L. Kanuk, "Consumer Behaviour" 6th edition, Prentice Hall International, Inc.(1997)

· Sontakki C.N., "Consumer Behaviour" Himalaya Publishing House, Mumbai, 2006, P-161 and P-171

· Solomon, M., Bamossy, G., and Askegaard, S, 2002. Consumer Behaviour: A European Perspective, 2nd edition, Person Education Limited, P-5

Journals, Periodicals, Magazines And Articals

· Annual Report of Life Insurance Corporation Of India

· ArensWillams F. (1996) Contemporary Advertising. USA: Richard D. Irwin, a. Times Mirror Higher Education Group Inc. Company.

· B S Bodla and Sushma Rani Verma, " Life Insurance Policies in Rural Area Understanding Buyer Behaviour" ICFAI Press on Life Insurance in India 2008, P-171-183

· Census of India 2011, Provisional Population Totals, Paper I of 2011

· Capon, N. and D. Kuhn, Can Consumer Calculate Best Buys? Journal of Consumer Research,1982, 8.4, p 449-53

· Devasenapathi T, Saleendran PT and Shanmugasundaram A, " A study on Consumer Preference and Comparative Analysis of all life insurance companies", ICFAI press ib Life Insurance in India, 2008, P 83-95

· Dowling, G.R. and R. Staelin, " A model of perceived risk and intended risk handling activity" Journal of Consumer Research, 21, June 1994, P 119-134

· Holsboer, Jan H., 1999, Repositioning of the Insurance Industry in the Financial Sector and its Economic Role, The Geneva Papers on Risk and Insurance, Volume 24.3, P 243-290.

· IRDA Annual Report, 2010 to 2015

· Krishan Kumar's (2005), " LIC-Making Inroads in to Rural

India", InsurancChronical, P 42-49
· Paromita Goswami, " Customer Satisfaction with Service quality in the Life Insurance industry in India" ICFAI press on Life Insurance in India, 2008, P 113-120
· Roman and Gayatri (2004), " A Study on Consumerr Awareness Towards New Insurance Companies", Indian Journal of Marketing, Vol 34, P 6-8
· Sharma Ravi Kumar (2005), " Insurance perspective in Eastern UP: An Empirical Study" Indian Journal of Marketing, P- 14-20

WEBSITES
- www.licindia.com
- www.aegonreligare.com
- www.avivalife.com
- www.sbilife.co.in

MELTING BOUNDRIES OF ETHICS IN THE GLOBALIZED WORLD

Ms. Dhriti Mehta
Student
University of Tokyo, Tokyo, Japan.

ABSTRACT

We live in a multi-cultural world, one that is a melting pot of diverse people, practicing different faiths and propounding different philosophies. Culture however impacts thinking and subsequently has a far reaching impact upon the ethical framework within which an individual functions. This further opens up the discussion to considering whether Virtue Ethics advocate a certain degree of ethical relativism. The paper explores the premise that the process of globalization exposes people to a culture that may not necessarily be their birth culture through work, education and even entertainment. This leads to the intermingling of various cultures as differences between cultures melt. Thus, a new ethical theory, identified as Universal Ethics or the Ethics of Globalization emerges. An understanding of this theory is of great significance to modern day managers both in decision making and in facing the challenges of the dynamic global business environment.

Key Words: *Ethics of Conduct, Ethics of Character, Ethical Relativism, Globalization, Universal Ethics*

MELTING BOUNDRIES OF ETHICS IN THE GLOBALIZED WORLD

While Indian culture promotes defining the truth clearly- even if it might be a little hurtful to the other person, in Japan they prefer to keep quiet rather than offend someone else although it might be for his own benefit. At the same time, in America people prefer to give personal space and not disturb someone even if the person looks like they could use some help. Perhaps if the same was done in India, they would be criticized for not offering assistance even if it was unsolicited.

The world we live in today is a multi-cultural world where all kinds of people, religions, cultures and ethical theories thrive and flourish. At the same time, over the years, there has been

how the ethical theories take or change shape in regard to the cultural differences. This will further open the discussion about the absence of universality in Virtue Ethics and the meaning of cultural and ethical relativism in this context. The question this paper aims to explore is whether virtues vary in respect of history and cultures and is virtue ethics advocating a kind of ethical relativism.

In order to move forward with our discussion, we first need to carefully consider what Culture truly constitutes of. *Culture* refers to a collective way of life, or a way of doing things, encompassing attitudes, values, goals, and practices that individuals in groups, organizations, or society share. It reflects the moral and ethical beliefs and standards regarding how people should behave and interact with others.

Cultural norms on the other hand are the shared, sanctioned, and integrated systems of beliefs and practices that are carried on through generations and give characteristics to the cultural group. These norms cultivate guidelines for everyday life by identifying correct and moral behavior, and providing a means of achieving a sense of integrity, safety, and belonging as a member of that group or society. Normative beliefs along with other related cultural values of that group bring a sense of order and control on aspects of life that might otherwise look confusing or unpredictable.

In order to understand the dynamic that exists between Cultures and Ethics let us first understand the main Ethical Theories of Philosophy. Ethical theories may be of two types- *Ethics of Conduct* and *Ethics of Character*.

Ethics of Conduct has theories which guide us towards deciding upon what sort of actions we should perform. They can be further classified into Consequentialism and Deontology.

Ethical theories that may be classified as a theory of consequentialism states that the rightness or wrongness of any action must be viewed in terms of the consequences that result because of the action . Therefore it says that consequences are generally viewed according to the extent to which they serve some intrinsic good. A good example of a form of consequentialism is utilitarianism (social consequentialism) which proposes that one should act in such a way to produce the greatest good for the greatest number of people.

Deontological ethics place special emphasis on the relationship

between duty and the morality of human actions. The main contributor in deontological ethics is Immanuel Kant who has the most works in this field. Most simply, deontology suggests that an act must be performed because the act in some way is characterized by universality or that it conforms to moral law. According to this theoretical position, the rightness or wrongness of some acts are independent of the consequences that it produces and the act may be good or evil in and of itself.

Ethics of Character are those which guide us as to what sort of people we should be and is also referred to as Virtue Ethics. Most virtue ethics theories take their inspiration from Aristotle who declared that a virtuous person is someone who has ideal character traits. These traits derive from natural innate tendencies, but need to be nurtured; however, once established, they will become stable.

Thus, virtue ethics differs from Deontology and Consequentialism by focusing on the character of the person rather than the how, when and why a single action is carried out. Consequentialism assesses the state of the world after an action takes place, whereas deontology is worried about how closely rules were followed in the performance of the action.

To see a quick comparison between the different ethical theories, the table below draws out the similarities and differences between the three main theories discussed above. The table is based on a similar comparative analysis created by Curtis Brown, Trinity University.

Table 1: A Comparative Analysis of Ethical Theories

	Consequentialism	Deontology	Virtue Theory
Example of a theory that represents the main ETHICAL THEORY	Mill's Utilitarianism	Kantian Ethics	Aristotle's Moral Theory
An Abstract Description	An action is right if it promotes the best consequences.	An action is right if it is in accordance with a moral rule or principle.	An action is right if it is what a virtuous agent would do in the circumstances.
A more Concrete Explanation	The best consequences are those in which happiness is maximized.	A moral rule is one that is required by rationality.	A virtuous agent is one who acts virtuously. A virtue is a character trait a human being needs to flourish or live well.

Basis of Practical Reasoning	Means-Ends reasoning: How do I get what I want/what is for the best?	How do I determine what is logical/reasonable or rational?	What habits should I form?
What is essential to the self?	Will, reason anddesires	Will and reason (desires are looked at as detrimental to rationality)	Will, reason, desires and personal characteristics
Underlying Rationality	Getting what you want	Doing what reason requires (Especially, not having inconsistent or self-contradictory policies)	Having those desires which reason determines are best
Central Question	What should I do? (Action orientation)	What should I do? (Action orientation)	What is the best sort of person that I can be? (Agent orientation)
What will be evaluated?	Consequences (state of affairs)	Actions	People (character)

Something which is often considered as a drawback of the Virtue Ethical theory is the difficulty caused while identifying the virtues as they cannot be looked at objectively. Thus, it is established that there is a certain cultural relativity when deciding what actions can be deemed as virtuous and which behaviour is ethical and can be understood at the lack of Universality in defining ethical behaviour. This leads us to an interesting question of the dynamics that play out between ethics and cultures and the different positions on the same.

Mainly, there are two contrasting views that emerge in this context. The first view is the **Relativist view** that believes that what is ethical to one group may not be considered ethical by someone living in a different culture. This is caused due to the differences in past/shared experiences, exposure and lifestyles of people living in different cultures which changes or creates a unique and different perception of moral and immoral behavior and actions. Thus, cultural and ethical relativists say that there is no single truth on which to base ethical or moral behavior across time and geographic space, because a person's interpretations of the truth is influenced by their own culture. In the simplest terms, Ethical Relativism can be looked as the theory which suggests that the rightness or wrongness of an action is decided based on the accepted norms of the society in which it is practiced. One of the most recent attempts to understand this concept was done by the famous philosopher Alasdair MacIntyre in his work 'After Virtue' where he concluded that there are no universal set of virtues that

can be applied to all people at all times. The set of virtues of every culture will be unique to that tradition, and fully understandable only from within that particular tradition.

The other view is that of **Universalism**, which holds that basic moral values are the same for everyone. Universalists believe all behaviors or actions can be strictly categorized as wrong or right, which by definition and logic will remain the same over space and time. Individual preferences or choices do not play any part here because the morality and ethical behavior is the same for everyone. Cultural relativism may also be considered more tolerant than universalism because, if there is no basis for making moral judgments between cultures, then cultures have to be tolerant of each other. In the wake of a globalizing world, identifying, acknowledging and even appreciating these differences in culture is very important.

If we look at the examples given in the beginning once again, we can connect the differences people from different cultures showed in terms of their behavior, actions and attitudes to the concept of Ethical Relativism which we have recently explored. The expected and accepted ethical behavior greatly differed in different cultures. We can further explain this apparent difference by taking another example of ethical behavior in a company setting.

While American company culture is quite open and changing jobs to reach personal goals is encouraged and even appreciated, Japanese companies on the other hand consider it morally unethical to switch jobs very often and this obvious displeasure causes a lot of people to retire in the same company they join 30-40 years ago even if there is little growth. Another interesting case here is that of firing an employee. American companies see nothing wrong with being direct with their employees and it's even considered more ethical to be open and fair to the employee by firing him openly with notice so that he/she gets time to seek another employment opportunity elsewhere. However, in Japan direct 'layoffs' are a taboo i.e. considered unethical- owing to their indirect behavior in expressing clearly, the Japanese created something known as the 'boredom room' where the worker who has to be dismissed is made to sit and given menial and even humiliating tasks for a person at his position so that he resigns out of frustration.

It is no surprise that different cultural communities have different

before, the "ideal" ethical behavior in the eyes of one group may not be considered to be equally virtuous in the eyes of another group.

Thus our discussion has established that differences in virtue ethics between cultures is a reality, however I would also like to further explore the concept of the process of Globalization which leads to the interacting and inter mingling of cultures so as to create another reality – one that states that in the real world ethical values are being governed not only by the culture one is born in but also by the culture that one is exposed to through work, education and even entertainment. In this sense, these differences in the virtue ethics of cultures in the modern day world are therefore melting and diffusing.

Cultures change and develop over time, between countries and geographic regions, and among groups and organizations. Thus it has been seen that traditional ethical systems get diluted over the generations and as the world moves towards Globalization, there is an increasing move towards an intermingling of cultures and consequently of the ethical systems that they adhere to.

Conclusion: Cultures change and develop over time, between countries and geographic regions, and among groups and organizations. Traditional ethical systems get diluted over the generations and as the world moves towards Globalization there is an increasing move towards an intermingling of cultures and consequently of the ethical systems that are subscribed to . Young professionals in the Eastern world thus may probably be operating on an ethical system similar to the Western one of money/ power/ pleasure. On the other hand, a modern day Buddhist from the Western World will share the ethical system of a traditional Buddhist in the East. Thus, the religious and ethical systems are not limited to a racial or national context. Today, the conflict is not between, for example, Japanese and Americans (especially regarding what is ethical or not), but between the different ethical systems which now divide people within every society.

Amartya Sen in his book Development of a Freedom analysis the relation between development and freedom. He argues that freedom is a Universal Value relevant to all parts of the World but individual freedom is a Western Liberal concept. He thus argues against the characterization of values based on culture and geography represented by Asian or Western Values but emphasizes

on the inner diversity of Cultures and Traditions.

Recently, there has been a lot of discussion about the formation of a new ethical theory known as 'Universal Ethics' or the 'Ethics of Globalization'. In this ever-evolving and multi-cultural world, where there is constant inter-mingling of different cultures, ideas, thoughts, value-systems and beliefs, the need for ethical relativism is felt more than ever before. Universal ethics should not be understood as the dominance of one group's ideals over another. Rather, it should be taken as the common way of reaching a consensus on values and ethical norms which is inclusive of diversity. A shared understanding of what is ethically acceptable or unacceptable. All of which should be done with the real aim of valuing cultural differences, tradition and historical significance. Thus, in The Globalized World, Ethics are as much about the culture we are exposed to as the culture we belong to. As individuals, as countries and as a world system, we need to think more deeply and act more systematically, if we are properly to address ethics across cultures and to build a sustainable and just world.

References :

1. Kevin Lam, Handout Week 12, Philosophy: East and West (A term)
2. Boundless. "Culture and Ethics." *Boundless Management* Boundless, 20 Sep. 2016. https://www.boundless.com/management/textbooks/boundless-management-textbook/ethics-in-business-13/ethics-an-overview-95/culture-and-ethics-448-8309/
3. Theories of Ethics
4. https://global.britannica.com/topic/deontological-ethics
5. http://soe.syr.edu/academic/counseling_and_human_services/modules/Common_Ethical_Issues/theories_of_ethics.aspx
6. http://www.iep.utm.edu/virtue/
7. http://bigthink.com/scotty-hendricks/virtue-ethics-the-moral-system-you-have-never-heard-of-but-have-probably-used
8. http://www.trinity.edu/cbrown/intro/ethical_theories.html
9. Adapted from Curtis Brown , Trinity University, A comparative analysis of ethical theories
10. Alasdair MacIntyre, After Virtue (Notre Dame, IN: University of Notre Dame Press) 181
11. Tracy Kline, Virtue Ethics and the Challenge of relativity http://www.sophia-project.org/uploads/1/3/9/5/13955288/kline_relativity.pdf
12 http://www.nytimes.com/2013/08/17/business/global/layoffs-illegal-japan-workers-are-sent-to-the-boredom-room.html
13. http://www.onbeing.org/program/gods-business/feature/ethics-across-cultures/1258
Bioethics Research Notes 13(2): June 2001 Universal Ethics - A Foundation for Global Dialogue By Gill Griffinhttp://www.bioethics.org.au/Resources/Online%20Articles/Opinion%20Pieces/1302%20Universal%20ethics%20a%20foundation%20for%20global%20dialogue.pdf

Micro Finance and Empowerment of Women: A Study of SHGs of Ganjam District

Dr. Santanu Kumar Das

Assistant Professor,
P.G. Department of Business Administration,
Kalam Institute of Technology, Berhampur, Odisha.

ABSTRACT

Women are the basic unit of the society. They become even more important as a long-term solution to a sustainable livelihood. Women entrepreneurship through empowerment aims to create human resources within the productive sector and to sustain for the further development process. Empowering women means enabling women to participate completely in economic life over all segments through all levels of essential economic activities, like building strong economies; establishing more stable and just societies; achieving internationally-agreed goals for development, sustainability, and human rights; improving the quality of life for women, men, families, and communities; and propel business operations and goals. One of the principles of women's empowerment says implement enterprise development through micro finance. Micro-finance interventions are well-recognized world over as an effective tool for poverty alleviation and improving socioeconomic status of rural poor. In India too, micro-finance is making headway in its effort for reducing poverty and empowering rural women. Micro-finance through the network of cooperatives, commercial banks, regional rural banks, NABARD and NGO's has been largely supply-driven and a recent approach. Micro finance is provided to all unemployed to have self-employment. The SHGs are provided with adequate loan for the development of the SHGs in all possible ways. The members of the self-help groups are given support and advice even for marketing their products. An attempt has been made to study the role of micro fiancé in women empowerment in Ganjam District. The socio economic status of the members of SHGs and the level of satisfaction of the members in SHGs regarding the support extended by the government and banks through Micro finance in Ganjam district were identified. It was examined from the study that members of SHGs have been empowered after availing micro finance and their skills are improved by getting the training programme.

Introduction:

Microfinance services lead to women's empowerment by positively influencing women's decision-making power and enhancing their overall socio-economic status. Micro-finance interventions are well-recognized world over as an effective tool for poverty alleviation and improving socioeconomic status of rural poor. In India too, micro-finance is making headway in its effort for reducing poverty and empowering rural women. Micro-finance through the network of cooperatives, commercial banks, regional rural banks, NABARD and NGO's has been largely supply-driven and a recent approach. Micro finance scheme has been introduced by the central government initially with the view to promote the income sources of the village people by providing financial support to the weaker section particularly in rural parts of the country. Further it was extended to support the SHGs in all parts of the country for the empowerment of the women and to improve the income level of the individual family. The purpose of the micro finance is to provide financial support to the weaker section who leads their normal life below BPL. Micro finance is provided to all unemployed to have self-employment. The SHGs are provided with adequate loan for the development of the SHGs in all possible ways. The members of the self-help groups are given support and advice even for marketing their products. This paper attempts to study the role of micro finance in women empowerment.

Relevance of the Study:

The appropriateness of micro credit as a tool for reducing poverty depends on local circumstances. Poverty is often the result of low economic growth, high population growth, and extremely unequal distribution of resources. In many countries, such as in India, poverty is caused by lack of both physical and human capital. Consequently, the best way to reduce 14 poverty is to deal with the problems; increasing productivity by creating employment and developing human capital. Lack of savings and capital make it difficult for many poor people who want jobs in the farm and non-farm sectors to become self-employed and to undertake productive employment generating activities. Providing credit seems to be a way to generate self-employment opportunities for the poor. Micro credit programmes are able to reach the poor at affordable cost and thus helping the poor to become self-employed. It helps the women by providing chances of extra income using their local resources and knowledge within the house. The earning through credit increases

bargaining power, awareness, power of work independence and participation in decision making of the women.

Literature review:-

Batliwala (1994) identified three approaches to women's empowerment: the integrated development approach which focused on women's survival and livelihood needs; the economic development approach which aimed to strengthen women's economic position and the consciousness approach which organized women into collectives that address the source of oppression.

Mayoux (1997) argues that the impact of microfinance programmes on women is not always positive. Women that have set up enterprises benefit not only from small increases in income at the cost of heavier workloads and repayment pressures. Sometimes their loans are used by men in the family to set up enterprises, or sometimes women end up being employed as unpaid family workers with little benefit. She further points that in some cases women's increased autonomy has been temporary and has led to the withdrawal of male support.

Kumar (1997) made a case study of Self-Help Group in the Tirupathi block of Andhra Pradesh. A total of 21 SHGs were selected for this study after a detailed description of the profile of groups and group and members, the author came to the following conclusions; the groups were mostly homogeneous in terms of their socio-economic back ground. This homogeneity contributed to the cohesiveness and solidarity of the members. The saving level was reasonably satisfactory because of low interest rates charged by the banks and the revolving fund. However some groups become passive and defunct. The reasons for this were irregularity in repayment of loan, non-adherence to the norms set by the group and lack of mutual trust and confidence among group members.

Gautham and Singh (2001) reported the impact of DWCRA in four districts of Himachal Pradesh. A total of 23 types of different economic activities were being pursued under this scheme, with maximum number of group (126) pursuing milk production activity. In spite of 91 per cent achievement of the target in organizing units of groups under DWCRA, the functional units accounted for only 67.17percent. The reasons for this were improper selection of group activities, lack of co-operation among group members, non-avail ability of raw materials, high cost of raw materials compared to finished product and the lack of local demand and marketing facilities.

Sarangi (2003) opined that women-led SHGs in many parts of the country succeeded in bringing the women to the mainstream of decision - making. SHG is also a viable set-up to disburse micro-credit to the rural women and encourage them to enter into entrepreneurial activities. The women -led SHGs in the village of Purushothampur block of Ganjam district of Orissa State have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkage with the banks and enforce financial self-discipline. SHGs in this block are tend in" a helping hand to the district administration in different rural development projects ranging from construction of roads to sanitation programmes.

Ranjula Bali Swain (2007) Can Microfinance Empower Women? Self-Help Groups in India" concluded many strides have been made in the right direction and women are in the process of empowering themselves and NGOs that provide support in financial services and specialized training, have a greater ability to make a positive impact on women empowerment.

Raghav Gaiha and Mani Arul Nandhi (2007) in their study found that most of the members are using loans sanctioned through SHGs for health and education of children and for production-related expenses especially by the disadvantaged. Further, domestic violence was reduced.

Jothi (2010) opined that SHG plays a pivotal role in improving the both social and economic lives of the members, ring them more respect both domestically and socially. The sample respondents after joining as SHGs member have become very active by becoming full employed in varied activities and thereby earning more. He concluded that the self-help groups contribute substantially in pushing the conditions of the female population up and through that chip in poverty eradication as well.

Schuler et.al. (2010) in their study Women's empowerment refers to the women's acquisition of resources and capacities and the ability to exercise agency in a context of gender inequality. Once a resource, capacity or form of agency becomes a common place, it no longer distinguishes more empowered women from less empowered women. Political and legal awareness, economic security, mobility, making larger purchases, involvement in major decisions, participation in public protests and political campaigning, freedoms from the domination of the family, etc. are the best indicators to measure empowerment. Any change in social, economic and political

dimension affects the measurement of women's empowerment. Therefore the measurement of empowerment must change and adapt to keep up with this elusive phenomenon.

Acharya et.al, (2010) used Nepal Demographic Health Survey (NDHS, 2006) to examine the empowerment of women through women's decision making on their own health care, major household purchases, purchase for daily household needs and visits to their family or relatives. In this study, women's autonomy in decision making was found to be positively associated with their age, employment and number of living children. The increase in women's education was positively associated with autonomy in terms of their decision making on own health care. Interestingly, rich women were less likely to have autonomy to make a decision on their own health care.

Objectives of the Study:

The study is focused on the following objectives:

❖ To draw an understanding on the socio-economic status members of SHGs and their knowledge about micro finance.

❖ To measure the level of satisfaction of the members in SHGs regarding the support extended by the government and banks through Micro finance.

❖ To measure the relationship between participation of members in SHGs and empowerment of women.

❖ To analyse the determinants of participation of women in SHGs to avail credit.

Hypothesis of the Study:

Following are the hypothesis on the basis of objectives of the present study.

Null hypothesis:

There is no association between opinion about the improvement of skills of the respondents due to training and their satisfaction level about the training.

Alternative Hypothesis:

There is an association between opinion about the improvement of skills of the respondents due to training and their satisfaction level about the training.

Research methodology:

In the present study an extensive use of both primary and secondary data were collected in order to achieve the objectives of the study. For collecting the primary data field survey technique was undertaken in the study area. The primary data were supplemented by a spate of secondary source of data. The secondary data pertaining to the study was obtained from the journals, library sources and net sources. The area selected for the study is Ganjam District (Odisha), 700 women respondents were selected at random by using convenient sampling method from 70 SHGs operating successfully in Ganjam District. For the purpose of the study a well-structured questionnaire was used and data were collected systematically.

Tools used for analysis:

The data has been coded, edited and consolidated and then entered into master table. Next sub tables are prepared from the master table. For the purpose of analysis and interpretation of data, Percentage Analysis, Chi-square tests, ANOVA has been used.

Data Analysis and interpretation:

Table 1 : Demographic Profile and knowledge about Micro Finance

Particulars	Number of respondents	Percent
Age		
18-25 years	**140**	**20**
26-35 years	230	32.9
36-45 years	235	33.6
46 and above years	95	13.6
Marital Status		
Married	370	52.9
Unmarried	135	19.3
Widow	95	13.6
Divorce	50	7.1
Destitute	50	7.1
Educational Status		
Upto 8th std	140	20
Upto 10th std	233	33.3
Upto 12th std	233	33.3
Degree	47	6.7

Other diploma	47	6.7
Monthly income		
Below Rs.4000	50	7.1
Rs.4001-6000	185	26.4
Rs.6001-8000	230	32.9
Rs.8001-10, 000	145	20.7
Rs.10001-12, 000	45	6.4
Rs. 12000 and above	45	6.4
Dependents		
One member	46	6.6
Two members	188	26.9
Three members	280	40
Four members	140	20
Above Four members	46	6.6
Earning members in the family		
One member	327	46.7
Two members	279	39.9
Three members	94	13.4
Occupational status		
Un employed	70	10
Self employed	175	25
labour	210	30
House Wife	140	20
Private employment	105	15
Nature of work		
Labour in construction industry	93	13.3
Farming labour	234	33.4
Labour in Poultry industry	140	20
Supervisor	93	13.3
House wife	140	20
Knowledge about Micro Finance		
Very good	93	13.3
Good	281	40.1
Normal	140	20
Poor	93	13.3
Very Poor	93	13.3
Source of knowledge about micro finance		
Through friends	232	33.1
Through SHGs	187	26.7

Through family members	187	26.7
Through NGOs	47	6.7
Through Advertisement	47	6.7
Purpose of the loan		
Commencing new business	234	33.4
Developing existing business	374	53.4
For meeting family expenses	46	6.6
Other reasons	46	6.6
Opinion about the subsidy		
Subsidy provided	187	26.7
No subsidy	280	40
For some loan only	93	13.3
No idea	140	20
Repayment period		
Monthly	392	56
Quarterly	196	28
Half yearly	56	8
Whenever possible	56	8
Opinion about Training programme offered		
Yes	504	72
No	196	28
Type of training		
Training to start the business	122	24.2
Training to market the product	262	51.98
Training for managing the workers	40	7.94
Training to minimize the cost	40	7.94
Training to manage the finance	40	7.94

Source: Own Compilation

Table No-1 shows the demographic characteristics and knowledge of micro finance of the sample.33.6% of the respondents are belonged to the age group of 36-45 years and 32.9% of the respondents belong to the age group between 26-35 years, 52.9 % of the respondents are married, majority of the respondents are studied below or up to 12th standard and 32.9% of the respondents get a monthly income of Rs. 6001-8000. Majority of the respondents have three dependents and one earning member in their family. The table also depicts that 30% of the respondents of the respondents are labour, 25% of the respondents are self-

employed, 20% of the respondents are housewife, and 15% of the respondents are getting employment in private sector while 10% of the respondents are unemployed. 33.4% of the respondents are engaged in farming labour. With regard to knowledge about micro finance, 40% of the respondents have good knowledge about micro finance.33% of the respondents have known about micro finance through friends. 53.4% of the respondents were received the bank loan for the purpose of developing existing business and 56% of respondents were used to repay the loan monthly. And 51.98% of the respondents have been trained to market their products.

Null hypothesis:-

There is no association between opinion about the improvement of skills of the respondents due to training and their satisfaction level about the training.

Table 2:- Association between satisfaction about the training and opinion about the improvement of skills.

Sl. No.	Satisfaction about the Training	Opinion improvement of Skills					Total
		Very Good	Good	Normal	Poor	Very Poor	
1	Highly satisfied	22 (28.2)	46 (37.9)	26 (37.7)	31 (27.2)	16 (10.1)	141
2	Satisfied	60 (50.4)	53 (67.7)	76 (67.3)	48 (48.6)	15 (18)	252
3	Partly satisfied	32 (33.8)	51 (45.4)	46 (45.1)	30 (32.6)	10 (12.1)	169
4	Dissatisfied	6 (16.6)	36 (22.3)	25 (22.2)	15 (16)	1 (5.9)	83
5	Highly dissatisfied	20 (11)	2 (14.8)	14 (14.7)	11 (10.6)	8 (3.9)	55
		140	188	187	135	50	700

Source: Primary data

The above table represents the association between satisfaction about the training and opinion about the improvement of skills of the consumers. Out of a total of 700 respondents only 55 (7.8%) are

highly dissatisfied where as the total of satisfied and highly satisfied amounts to 393 (56.14%). Similarly the opinion for improvement of skill is good and very good is respectively 20% and 26% respectively. On the other hand the poor and very poor amounts to 185(26.42%) only.

Table 3: Figures in the Parenthesis shows the Expected Frequencies

Factor	Calculated value χ2	Table value	DF	Remarks
Satisfaction about the Training	61.145	26.296	16	Significant

As the calculated value of Chi-square (61.145) is greater than the table for 16 degrees of freedom at 5% level of significance, the null hypothesis is rejected and it is concluded that there is an association between opinion about the improvement of skills of the respondents due to training and their satisfaction level about the training.

Alternative Hypothesis:-There is an association between opinion about the improvement of skills of the respondents due to training and their satisfaction level about the training.

With a view to find the degree of association between the opinion of the respondents regarding the improvement of skills due to training and response regarding the satisfaction about the training provided by the bank to the members of the self-help group a two way table was prepared and illustrated as below.

Table 4:- Improvement of skills due to training and satisfaction regarding the training Programme given to the SHG Members (two way table).

Sl.No	Opinion about improvement of skill due to training	SATISFACTION LEVEL						Total	
		Low		Medium		High			
		No of Respon dents	%	No of Respon dents	%	No of Respon dents	%	No of Respon dents	%
1	Very good	26	18.8	32	18.9	82	20.9	140	20
2	Good	28	27.5	51	30.2	99	25.2	188	26.9
3	Normal	39	28.3	46	27.2	102	26.0	187	26.7
4	Poor	26	18.8	30	17.8	79	20.1	135	19.3
5	Very Poor	9	6.5	10	5.9	31	7.9	50	7.1
	Total	138	100	169	100	393	100	700	100

The above table Bioethics Research Notes 13(2): June 2001 Universal Ethics - A Foundation for Global Dialogue By Gill Griffin http://www.bioethics.org.au/ Resources/Online%20 Articles/Opinion%20Pieces/ 1302%20Universal% 20ethics%20a% 20foundation%20for% 20global%20dialogue.pdf Bioethics Research Notes 13(2): June 2001 Universal Ethics - A Foundation for Global Dialogue By Gill Griffin http://www.bioethics.org.au/ Resources/Online%20Articles/Opinion%20Pieces/1302%20Universal%20ethics%20a%20found ation%20for%20global%20dialogue.pdf

highlights that the percentage of high response regarding the satisfaction about the training provided to members of the SHGs was opined by the respondents who gave good opinion about the improvement of skills due to the training given to the members of the SHGs as the highest (26.9) and the same was lowest (7.1) by the respondents who have given very poor opinion about the improvement of the skills due to the training. The percentage of medium level response on regarding the satisfaction about the training provided to members of the SHGs was opined as the highest (43.8) by the respondents who gave good opinion about the improvement of skills and the lowest (5.9) by the respondents who have given very poor opinion about the improvement of skills due to the training. On the other hand the percentage of low level response regarding the about the training provided to members of the SHGs was opined as the highest (28.3) by the respondents who have given normal opinion about the improvement of skills due to the training and the lowest was (6.5) among the respondents who gave very poor opinion about the improvement of skills due to training.

In order to find the relationship between opinion of the respondents regarding the improvement of skills due to training given to the members of the SHGs and response regarding the satisfaction about the training provided to members of the SHGs, a chi square test was used and the result of the test is shown in the following table

Table 5:- Association between improvement of skills due to training and satisfaction regarding the training programme given to the SHGs members

Factor	Calculated value χ^2	Table value	DF	Remarks
Opinion about the improvement of skills due to the training	2.776	15.507	8	Insignificant

It is obvious from the above table that the calculated chi-square value is more than the table value and the result is significant at 5% level of significance. Hence the response regarding the satisfaction about the training provided to members of the SHGs are good.

Conclusion:

Thus it can be concluded from the above study that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in the study area.

Microfinance loan availment and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggest that microfinance has a profound influence on the economic status, decision making power, knowledge and self-worthiness of women participants of self-help group linkage program in Ganjam District of Odisha. It was examined from the study that skills of the members are improved by getting the training programme.

References:-

- Acharya, D. J. Bell, P. Simkhada, E. Teijlingen, and P. Regmi, (2010), "Women's autonomy in household decision-making: a demographic study in Nepal", Vol.3, Issue.5, pp.23-43.
- District Statistical Hand Book, Ganjam District, Govt. of Odisha "Directorate of Economics and Statistics; Odisha; Bhubaneswar.
- Gautham and Singh (2001),"Impact on DWCRA in Himachal Pradesh", Kurukshetra, July 2001, p.3.
- Jothi, V.N., (2010), "Socio-economic Impact: Micro financing of Self- Help Groups", SCMS Journal of Indian Management, January-March, pp.91-103.
- K. Rajendran and R.P. Raya (2010), Impact of Micro Finance - An empirical Study on the Attitude of SHG Leaders in Vellore District (Tamil Nadu, India). 'Global Journal of Finance and Management'- ISSN 0975 - 6477 Volume 2, Number 1, pp. 59-68.
- Kumar K.P. (1997), "Self–help Groups: An alternative to institutional credit to the poor–A Case Study in A.P.", Journal of Rural Development, Vol. 16, No.3, pp.515-530.
- Pitt, M. Mark, Shahidur R. Khandker and Jennifer Cartwright.(2006), Empowering women with micro finance: Evidence from Bangladesh, Economic Development and Cultural Change.
- Raghav Gaiha, Mani Arul Nandhi, (2007),"Microfinance, Self-Help Groups and Empowerment in Maharashtra", Australia South Asia Research Centre, Australian National University, Canberra Working Paper2007/15, October.
- Ranjula Bali Swaina and Fan Yang Wallentin (September 2009) Does microfinance empower women Evidence from self-help groups in India, 'International Review of Applied Economics' Vol23, No. 5, pp. 541–556.
- Sarangi (2003), "Micro Finance and Women Empowerment" Discovery Publishing House, New Delhi, 2003, pp. 22-26.
- Schuler, S. F. Islam, and E. Rottach, (2010), "Women's empowerment revisited: a case study from Bangladesh", Development in Practice, Vol.20, Issue. 7, pp.45-54.

USING THE CASE STUDY METHOD
[A review of the position of Professor Sadri on the subject]

DR NANDINI SHARMA
Assistant Professor of Business Management
S S Jain Subodh (Autonomous) College, Jaipur

There is no gainsaying the fact that Professors Sorab and Jayashree Sadri are a very well-known and well-respected couple in academic world of Management Sciences. One of the most prevalent teaching methodologies in B Schools in the use of the Case Method of instruction. There are only a handful of nationally known experts in this area and one such is Dr Sorab Sadri who is currently Professor and Director at Manipal University Jaipur. This author has academically interacted with him for the last six months and this short paper is a product of this interaction and a review of his ideas on the subject. This is being published as this author believes that few persons in the academic world are aware of the minutiae involved in this method and yet use this method of instruction often to the detriment of students.This paper, the author opines, will be of great assistance to fresh instructors in B Schools. As the title of the paper states, this is an attempt to review and summate Sorab Sadri's work on case studies in the field of Management Sciences.

Sorab Sadri is somewhat of an enigma. In Nigeria during the late 1970s he used to be referred to thus: *We teach economics to students but Professor Sadri teaches economics to us.* In England his professor had stated in the 1980s that *with his critical pen Sorab tries to enact the ghastly dance of death.* (His Ph D thesis at London Univ was on the antihistory of Unilever PLC from 1930 to 1980. At XLRI in the 1990s they said *Dr Sadri speaks and writes passionately about the common man in a language that the common man would seldom understand.* For the last two decades Sadri's work seems to be a Marxist critique of the Indian ideological left. Hence reviewing his academic work is not an easy task by any means. This author has restricted herself to a review of Sadri's work in the androgogy of Management Sciences only.

Let this author at the outset define her position as Sadri always insists we do. We tend to use the term pedagogy, unfortunately, very loosely. According to the Wikipedia, Johann Friedrich Herbart was the founding father of the conceptualization of pedagogy, or, the theory of education. Herbart's educational

philosophy and pedagogy highlighted the correlation between personal development and the resulting benefits to society. In other words, Herbart proposed that humans become fulfilled once they establish themselves as productive citizens. Herbartianism refers to the movement underpinned by Herbart's theoretical perspectives Referring to the teaching process, Herbart suggested 5 steps as crucial components. Specifically, these 5 steps include: preparation, presentation, association, generalization, and application. Herbart suggests that pedagogy relates to having assumptions as an educator and a specific set of abilities with a deliberate end goal in mind.

Sadri states that in general pedagogy in B-Schools can be divided into four types. (a) The didactic type where the professor comes to the podium and lectures in true classical style. There is a fair deal of oratory and seldom if ever are lectures read from a set of notes. The professor is completely a master of the subject on which he is propounding his/her thoughts. Questions are usually taken up at the end of the class and selectively so. This is the classic Oxbridge model that Sadri uses. (b) The classroom interactivetype where the professor comes to class with no transparencies or notes but engages the lecture in a discussion mode and there is a great deal of use of the chalk and board. The professor is leading the class and hand holding it through a pre-planned learning process. There is some discussion but it is controlled. This is what Jayashree usually uses. (c) The presentations type where the professor has prepared a power point presentation or have a set of transparencies, which he/she takes the class through. This presentation is on a particular topic and considerable homework has been done on the subject before the professor comes to class. (d) The case study type where learning is imparted with short case studies. This is also the point where androgogy replaces and joins hands with pedagogy and this is precisely what this compendium of short case studies attempts to help the facilitator of Human Resources Management with: to use androgogy to impart learning and reinforce the theory imparted through pedagogy.

Unfortunately, this author has observed that in some Colleges when the instructor does not want to prepare a lecture and takes the easy route of discussion to kill time, he/she sometimes uses short case studies. In addition, there is a fair degree of confusion on what a case study is and this is evident when students prepare

case studies as a part of a competition or an assignment. Sadri has argued that the role of the instructor is important and he / she must come well prepared otherwise students will open their mouths before engaging their brains into gear. Ideally both Sadri and Jayashree have argued, that the professor *who writes the case* must develop it as he goes along and gains student feedback year after year.

Based on the discussions with Professor Sadri and the author's own experience, cases used in B-Schools can be *categorised* variously in terms of its *form* thus.

(a) *Short case*: a brief narration or illustration that serves to reinforce a general point of view through using practical relevance. The student can view reality through his/her own personal frame of reference as in values and beliefs. The length of such a case varies from one to five pages. These are used by facilitators in classroom situations for explaining the nuances of behavioural sciences and human resources management.

(b) *Classic case:* these are long studies giving detailed and factual accounts regarding maximum relevant material in the given context of the business situation. The student becomes an analyst who can spend up to a week studying and deciphering the nuances of the cases. The length of such a case can even extend up to sixty pages. These are usually used in strategy related subjects.

(c) *Technical case*: these describe a technique, process or system of analysis without taking account of the human factor. The student learns how to analyse and document given data to draw meaningful conclusions. These are usually used in finance and operations related subjects where calculations are called for and a business or organisationally relevant problem has to be solved.

(d) *Complex cases*: these are usually complicated and aimed at bringing out deep rooted issues and are often a mix of individual, organisational and cultural forces that impinge upon industry and business. The coverage of such cases is wider than others and is used at the end of a postgraduate course when the student has already mastered several subject specialisations enabling a *comprehensive* analysis.

When cases are categorised in terms of **content** they could be either *open ended* or *close ended* in character. In the former instance participants have to find out the problem, exercise their minds and propose alternative solutions to one or more scenarios that may emerge. In the latter instance, the problem has been identified and a solution is sought given the assumptions and constraints.

Such a case either open ended or close ended can be of three kinds thus.

First, a **case history** details a series of events leading up to a conclusion. It is a researched body of work, which tells us a trend adopted in an organization or the contribution of a particular kind of leader. In a way, the presentation could be biographical. The learning derived is in terms of what happened and why it happened so.

Second is **a case analysis** that presents a set of data and either expects the student to analyse it or leads the students through the process of analysis. A good example is to be found in inter-sectoral growth in an economy, where the analyst sees trends and attempts to ascribe reasons for a particular success or failure of policy. Another good example can be found in market surveys that highlight consumer demand for a particular commodity in preference to another or as in financial data where a company's health is examined.

Third is a **case study** where an event, a set of events or policies is narrated in story form such that in analysing it the student imbibes a definite and pre-programmed learning. The facts are normally not massaged beyond recognition although the identities of the actors may be often be concealed in the larger interest of society. Fake names and places are given but the facts are generally not tampered with. This is generally the case study in HRD where the case study is used to impart a theory or a pre-determined learning.

Experts in Strategic HRD have treated the subject of ego at some length. At the risk of repetition let me reiterate that mankind's greatest enemy is his/her own self, his/her ego. Unmasking the ego can be very traumatic but its therapeutic value cannot be underestimated. The purpose of these *short case studies* is to help

the student / participant / facilitator to unmask his/her ego and confront reality, or perceptions thereof. Even professors of management need to unmask their ego if they are to achieve real intellectual progress. The easiest way to do so is to encourage free flow of ideas when the case is being discussed, inviting innovative solutions even when they clearly go against the grain of accepted wisdom and constantly revising the case to make it more realistic and relevant to objective social reality. In a humble way, this has been done with every single case study posited herein.

The problems depicted in case studies developed by Sadri are unique, in that they do not restrict themselves to either a country or a sector. Rather,

they are relevant to all business and industry in the capitalist periphery that seeks to thrive in the 21st century. They are important for all HR facilitators and teachers of HR since it enables them to bridge the gap between perception and reality in such a way that perception becomes the reality. This is where perception proves to be infinitely superior to description. In addition, in the **age of the intellect** and the predominant position occupied by the **knowledge worker,**Sadri has argued thatHR intervention has become that much complex and inevitable. People who think of HR as a soft option are merely showing their own ignorance of objective social reality. Industries have a lot more in common, than they are credited for and so the appeal of most well written short case studies is to a wider audience.

Certain facets, we all know, are common to all industries that depend on technology and the knowledge worker to propel their growth. Principal among these is selection of personnel, attrition levels and re-skilling of manpower. Since his famous work *Geometry of HR* (2002) trust, teamwork and transparency are the benchmarks against which effective project outcomes could be viewed. To some extent one could even, (he claims) say that all these short case studies relate to the human aspects of project management. However, almost every activity is a separate project in the high tech sector. In addition, this is the age of the knowledge worker whose loyalty is believed by many HR experts to belong to technology and nothing else. Hence, for them, HR intervention is the only way of creating a sense of belongingness and training where continuous upgrading of skills are needed, keeps attrition levels low.

Following Sadri subsequent research by this author has unearthed two fallacies especially in the case of the knowledge worker. First, the term knowledge worker itself needs some understanding. Is cobbler, a tailor or a blacksmith not using his knowledge to work? Second, any skill contains an element of knowledge within it. Hence, how can we describe *only* the employee in high-tech industry as being a knowledge worker? After all, the professors in classrooms teach on the basis of some knowledge and so can we not describe them as knowledge workers too? This comprises the first fallacy i.e. one of definition. The second fallacy arises out of a belief regarding employee loyalty. Throughout the works of Sadri (2002 - 2016), the contention has remained that that the employee is loyal only to his/her own values. As long as individual values are in accord with organisational values, the employee will remain on the job. The moment these values differ the employee either changes the personal values or

110

quits the organisation.

That is why, this author like Sadri argues that, three types of organisations always have high attrition rates.

(a) An organisation managed by a CEO with a *feudal-mercantilist-trader* mind-set and having knowledge workers.

(b) An organisation that is by the nature of its business operating in the short run i.e. on a project to project or assignment to assignment basis. Once the task is over the employees automatically leave the organisation.

(c) An organisation that hires people on contracts rather than for long-term employment. Once the contract is over it may or may not be renewed. Free market capitalism and the withering away of the employee union are solely to blame for this malaise. In all these three instances, the commitment of the employee is questionable and the belongingness need is negligible. This belongingness need is two edged: the employee acts as if he/she belongs to the organisation and that the organisation belongs to him/her. Both Sadri and Jayashree have posited that any organisation or any HRD intervention that fails to bring about this two edged belongingness fails to retain people.

Similarly, this author found, many CEOs do not invest in training as they point towards high attrition rates and state that money spent on training is a waste. On the contrary, we argue that it is always better to have a trained workforce who may leave for greener

pastures than to try to compete globally with manpower on rolls that possess out dated skills and expertise..

The author's experience shows that most inter-personal problems in management are *ego based*. This often takes the form of *attitude based* and *behaviour based* being attached. The employee/ subordinate is often said to have a problem managing his/her ego. This may not be true. When a senior manager tells an executive (reporting to him/her) that the executive has an attitude problem, many a time what the senior manager is actually saying is that *I need a yes man and you are not he*. We would all agree that reading in between the lines of messages is a cultivated art in many ways and no training except that in the *school of hard knocks* can help.

However, there is little that cannot be understood with a little bit of healthy open-minded introspection and frank exchange of views. In his work Sadri has made a significant attempt to *de-mystify management* and break that halo placed by the managerial ego and sustained in the name of managerial prerogatives. In so doing he has always tried to lay bare the vital areas where Senior Level Management intervention can make a difference. But this cannot be done on the basis of either *historicism* or *empiricism.* It has to be based on the subjective perceptions of objective

111

social reality. Objectivity like excellence can only be approximated and so to claim objectivity is in itself a subjective statement. This HR Managers must be well aware of since it is our experience that many of them tend to speak with an air of absolute certainty about things that they possess absolute ignorance. This, according to the present author, must be avoided at all cost and one way of doing so is to understand what perception is? It is what reality seems like to the beholder. This author based on her interactions with Sadri similarly opines that:

> *Perception is the antithesis of knowledge. It is characterized by spontaneity, totality and discontinuity. It occurs when there is no escape from a challenge into ideals; when there is no interference with the fact one*
> *observes; when time is not used as a mechanism for postponement; and when adaptive techniques do not intervene between a challenge and one's response to it.*

The background of this perception lies the unerring belief that no matter how technologically superior and organization or a technocrat is, he/she cannot afford to overlook either the human being behind the exterior of the employee or break the very rules he/she has laid down for others. In short very HRD intervention must have a very humane face and the attitude towards all parties involve must be one of fairness, equity and propriety. The dignity of mankind as well as that of the organisation must always be respected. That is a point on which all right thinking scholars will agree. In addition to this, the following points emerged from the lengthy deliberations.

· The concept of value (generation and contribution) is an integral part of Corporate Strategy.

· HRD cannot be divorced from the process of Business Policy formulation and execution.

· In the final analysis it is the Corporate Culture and the Ethics of the Managers, which will delineate the form, and content of the Behavioural Dynamics of the organization.

· The ultimate aim of Strategic HRD intervention then would be to increase the satisfaction levels of the internal customer through a vibrant corporate culture and to leverage core competencies for gaining advantage over other players.

It is a truism that as the ambit of competition is internationalised, the

corporations, which will survive, are definitely those who have a value based business policy and a management strategy founded on ethics. Others will be consigned to the wayside along the great motorway of history. In most Management Schools students get a good grounding in Economics, Marketing and Finance with the result that teaching a full semester course would imply that the curriculum traverses such a path as has not been covered by either of the three mother disciplines, for fear of repetition. Hence, the approach from a position of *Man Management* was resorted to both by Sadri and by Jayashree in their works.

In line with Sadri this author also opines that the greatest danger to a logical mind comes from *uncertainties, not from risk.* This is because there is a theory for calculating risk but there is no way of understanding or calculating uncertainty. Similarly, the greatest danger to the smooth functioning of an organization comes from *external uncertainties*, which Sadri calls the mutable nature of social reality and which are often caused by the market conditions. We all know that the greatest enemy of a manager is his/her ego and ego is always inversely proportionate to the manager's competency.

Further, the danger to the smooth running of the organization comes from internal uncertainties, which are mostly caused by lack of *clarity* at the level of vision, mission, goal and role. In addition to the negative impact caused by uncertainty, it is the *definition* of the *problem* and the *premise*, which goes a long way in removing uncertainty by bringing about clarity. Once a situation is properly defined, the limitations are known and the variables affecting its behaviour have been identified, it ceases to be uncertain and therefore poses little danger to the logical mind. It is almost a truism that even with the best of systems, reality continues to remain opaque and decisions are made under conditions of relative uncertainty. The art and the science of management, in the main, are geared towards removing the cobwebs and reducing the level of uncertainty. HR plays a positive, proactive and facilitating role in this activity by laying down employee friendly policies, and ensuring their compliance without losing sight of the fact that organizational objectives have to be met.

In this new age of globalised competition four aspects have assumed enormous importance and must never be lost sight of. These are Corporate Governance, Total Quality Management, Core Competency and Business Ethics. This is brought out clearly in all high level discussions involving Strategic HR. This is something one cannot afford to overlook in the analysis of case studies.

While actualizing Sadri'scase studies, taken invariably from real life data in the fast track industries, one belief was reinforced. Just

as metaphysics is not easily understood and the ritual of religion is something, which the majority are more comfortable with, so too, the majority of managers are comfortable, when others do their thinking for them. However, they wish to retain their power so they feel so themselves indispensable that they continue to wear that false halo. Using an analogy, some like Sadri could argue that God had to make the Devil to ensure His perpetual employment and importance. In the same manner, managers create problems only to solve them, feel good about it and retain their own importance. They try to play God. In a lighter vein Sadri often says that God was chased out of heaven by Marx acentury and half ago, Freud banished God into the unconscious self and Nietzsche declared that God is dead. ,

The author's experience shows that leaders are not necessarily managers and *vice versa*. The former envisions and leads, the latter follows and obeys. However, like a good leader, a good manager is one whose team functions as efficiently as in his absence as it did in his presence. Conscious Management through positive and proactive strategic HR interventions must aim at creating such a climate throughout the organization, such that problems are not intentionally created only to be solved and the mediocrity take credit theretofore.

Taking the example cited above further, Sadri claims that the Bible erred when it claimed that man was made in the image of God. Rather this immensity that engulfs us, this *magna mater*, is too vast, complicated and profound for our puny brains to understand. The mind-body genome of man is grossly inadequate and can never comprehend this nature that surrounds us. So man makes God in his own image: a forgiving God, an angry God, a fearful God, a loving God, a beautiful God, and so on. This is because we see what we want to see, hear what we want to hear and willingly block out that which is unpalatable. So is true of our perception of all reality.

The case study approach to learning nevertheless has been quite contentious. Some management trainers replace prepared lectures by giving out short case studies for discussion to fill in the time. In such instances, the case study degenerates into story telling sessions. There are some again who use short case studies

to reinforce a message. In such instances the case study becomes a parable or a homily. This is what teachers who appeal to the sentiment and the heart are more comfortable in doing. However, pontificating is not necessarily an intellectual or academic exercise and must be consciously avoided. Here the intention of casestudies is to bring out

learning through the discussion. The discussants would have arrived at a solution or an outcome, which they will *own,* and therefore, be committed to. This outcome will lead to a theory and form the basis of action at any point where value is being added to the product or the process chain.

This author opines, there can be no single correct solution to any case study since social reality is mutable in nature and the human mind is difficult to comprehend. Ideally what serious students of the managerial science should do is to place themselves in the shoes of the executive and then take an informed decision. Having taken the decision, they must demonstrate how to execute it. In addition, having executed the decision, they need to see that their superiors, peers and subordinates *accept* it. They are all participants who, as responsible managers, are expected to read the cases and come prepared for a full-fledged discussion in class. The facilitator/teacher is advised not to take up more than one case study *per* day. Each session should ideally begin with a strong theoretical input, and then followed by the case study so the learning will thus be re-enforced through case discussions. Hints questions and issues given at the end of the case are at best tautological and should *never* be taken very seriously, since in doing so innovation and creativity will be sacrificed and the purpose of learning itself will be defeated.

Sadri says that theory must emanate from the discussion and *not* precede it. Some tips for discussion have been given at the end of each case, but as managers and technocrats (both those in waiting and those in position), you cannot be expected to restrict your intellect to these points. These tips are more meant for the facilitator who has to make sure that the discussion does not go out of control. Let the spirits wander, let the mind charter new territories and let not the constraints of conventional wisdom fetter your thoughts: *cast off the fetish of society*.

Unlike what some fundamentalists, spiritualists and normative thinkers would wish to argue (to this author) it is fairly certain that reality cannot be seen in clear black and white terms. It is a vast grey area with shades in between. How one behaves within that vast grey area depends on how well an executive one is and where one's values lie. But merely attending a training program, as some management theorists tend to argue cannot facilitate change and bring about development. A conscious effort to change and having an open mind often works wonders. The author is reminded of some professors who attend a summer school in Oxford and call themselves an alumni of Oxford or a person at another University whose Ph D guide is a Professor of IIM calls himself to be a product of

IIIM.

Learning does not end with classroom interaction. Rather, it begins there. A useful book that we shall recommend that every middle level manager read isGerry Johnson and Keran Scholes (1997) *Exploring Corporate Strategy: Text and Cases* (Prentice Hall). Another good book, which our fellow professionals will learn from and that has recently entered, the Indian market is Lyle M Spencer Jr (1995).If the reader just wishes to have a compendium of Indian Short case studies based on value based policy then this author recommends the collection *Business Ethics: Concepts and Cases* (Tata McGraw Hill 1998). To glean an understanding of the ethical dilemma and managerial responses to it, readers and students of management as well as senior executives should consider reading *The Theory and Practice of Managerial Ethics*. A good compendium, which every student of man management must have, is *Geometry of HR,* which was brought out by Himalaya Publishing House in 2002. Another noteworthy collection of Sadri's cases can also be found in *Business Excellence through Ethics and Governance (*2016).

Based on the author's discussions with Sadri and at the risk and expense of being called normative, the following pieces of advice are worth handing down to all managers during executive development programs wherein these cases could be used.

· Never forget the human being behind the mind-body genome of the employee. Respect the person in every man, for he is ultimately an aspect of that great immensity.
· The primary product is *people driven* and the loyalty of knowledge workers is seemingly to technology. However, technology is a unique commodity that we buy without seeing. For, if we see it we need not buy it. Hence, it is absurd to have loyalty to a commodity. Loyalty can only be to one's values.
· There must be *absolute clarity* of vision, mission, goal and role.
· Managers must *learn* to walk their talk, think holistically and act locally.
· Decisions are best taken democratically but enforced autocratically.
· Trust and faith relationships hold the key to synergy and growth.
· Managers who contradict themselves or are inconsistent in their decision-making are poor leaders and not trusted by those down

the line.

· Transparency in decision-making is crucial to building faith and trust.

· Communication must *freely* take place in all directions, truthfully and politely. There must sufficient maturity to take and receive criticism provided it is well meant.

· One must avoid using criticism to re-enforce one's presumed superiority or to *retain* control.

· Empowerment must accompany accountability: they are not mutually exclusive,

· Managers must learn to be *constructively unrealistic* so that breakthrough is possible.

· Mangers must not only act *ethically* but also others must see them as acting so.

· Values and Ethics can be imbibed but never imposed.

· One cannot afford to forget opportunity costs due to a preoccupation with actual costs although one cannot overlook actual costs in themselves.

· Even the basic concepts of Human Resource Management are being re-engineered.

· Many HR and especially Training and Arbitration functions are being outsourced and the right choice of HRD consultants can make or break a company. Negotiation skills assume importance and purchasing needs to be added to the current MBA syllabus.

· Quality must be *built into* the system and procedures must be streamlined and followed scrupulously.

· Do not delegate authority upwards and always take positive charge of the situation? (Your superior may not be as efficient as you think or he poses to be).

· Under no circumstances must one resort to either apple-polishing or petty politicking. These are contemptible and below managerial dignity.

· If someone speaks ill of others in front of you and in their absence watch him well. He will most likely be doing that to you too. He may mean well, but he is a slave of habit.

· Always commit to deliver and deliver as committed without compromising your values. It helps to ask yourself: does your action *add value*?

· Bullying, passing the buck, taking undue credit, harassment, fudging facts, whistle blowing, discrimination etc., are signs of

mediocrity, insecurity and general managerial immaturity. [Once the fear of the bully or blackmailer is taken out from the mind of the victim, the bully loses his power.]

Sadri has all along maintained that the present era is typified by a change process heralded by the concurrent collapse (of old beliefs and structures), on one hand, and a quantum change (in technology and its outcomes), on the other. This change he further adds is nonlinear and non-Newtonian. Developing a value based corporate culture is the need of the hour. Achieving this through strategic HR interventions is hardly likely to happen without a proper understanding of the basic beliefs, values and ethics along which the business of the organization is conducted.

It is a truism that a non-conformist conscience is the harbinger of change and a necessary component of the HR Manager's psyche. One cannot and should not dismiss this. This non-conformist behaviour comes from an inner belief, a value system that stands against the tide of accepted public opinion. Possessing this quality is what makes the difference between chalk and cheese, the leader and the follower, the creative-innovator and the mercantilist-feudal minded mediocrat-bureaucrat. What makes a leader walk his talk, blaze a trail or lead from the front by example? Does this come from within the person or is it caused by some externality? Is the decision-maker acting in a rational, mechanical robotic manner each time a dilemma is confronted? Does he depend on his sixth sense or his intuition? Alternatively, does he fall back on some inherent values and beliefs? Is he supposed to

be sufficiently "angry" or "uncomfortable" to want change?

Would the rational decision-maker follow the Sadri-Jayashree (1997) five-step model elaborated here at length or adopt the Kitson and Campbell (1966) five-step methodology used by management students? Alternatively, would the teacher and the taught take the oft-trodden path and restrict their analysis to SWOT (strength, weakness, opportunities and threats)? This certainly appears to be practice among many facilitators.

The second analytical structure mentioned above, is well known to all academics that use the case study method of imparting learning seriously. However, the Kitson and Cambell model is more apt for cases in finance, marketing and production management while the Sadri and Jayashree Model is more suited for cases in Human resources Management, Organisational Development and Diagnosis. Facilitators should

especially take care not to allow discussions to degenerate into story telling sessions where students open their mouths without bothering to engage their brain into gear, and the facilitator nods his acquiescence if he/she has not done the homework properly. The case study approach ideally links theory to practice so that knowledge creation and learning result from it. Hence, a case is never static. As it is used increasingly, varied feedbacks are received and the author acts on some of these feedbacks to enrich the case and make the discussion based learning that much intellectually interesting.

The students should be aware that the choice of the model is highly subjective and depends on the facilitator's preference.

The Kitson and Campbell methodology consists of the following steps:

a) Identify the problem

b) Generate alternate solutions

c) Evaluate alternatives using the cost-benefit analysis

d) Select the solution

e) Implement the chosen solution.

If the decision-maker will depend on his subjectivity instead, then what is the ideological basis of his decision? For some managers it is fashionable to say they are non-ideological. Little do they realize that in so saying they are making an ideological statement! Anyone who has been in a decision making position long enough will vouchsafe for the fact that more than 90% of decisions are based on the subjective perception of an objective social reality. This subjectivity takes us into a discussion on ethics that is something that can make or break and organization.

The Sadri and Jayashree *Five Ds of Corporate Strategy* provide the facilitator as well as the analyst with a unique instrument to study these cases. The HR Specialist cannot lose this fact either, since he is involved in decision-making and decision executing all the time. Pressures of work, shortage of time, listening to the boss's views, and the need to make quick decisions in a competitive world often tempt the HR Specialist to bypass these 5 Ds. However there is ample evidence to show that when the chips are down it is the HR Specialist who rues the fact that corners were cut in the name of expediency. This gives the professional and the profession a poorer image than they deserve.

To recap the 5 Ds:

1. **Diagnosis** of the Organization before deciding whether HR intervention is required.

2. **Definition** of the problem and the ambit of enquiry so that the parameters of the solution are bounded and the constraints are taken

into account.

3. **Designing** a solution which will address the issues germane to the organization and which spring from the diagnosis.
4. **Development** of the strategy so that it synchronizes with organizational requirements as well the environmental constraints.
5. **Delivering** the results by implementing the strategy and activating the process of HR intervention so that desired goals be met.

What makes the second methodology superior to the first one is the inclusion of the *sixth or hidden D* that stands for **data anddocumentation.** We Indians are particularly poor on this aspect, as many an organisation has found out on eve of any accreditation exercise. Perhaps the fact that adequate data and documentation was not preserved is the reason why in our present day the knowledge of Ayurveda, Vastushastra, and Vedic Mathematics is so dependent on beliefs rather than on science.

Research and experience of this author shows that good leadership comes from within the individual's self. It comes from a sense of self-esteem and an inherent belief in oneself. The strength of conviction can move mountains and make giants out of dwarfs. All great leaders have this common trait even when

their ideologies or *modus operandi* differs. What made great corporate leaders to stand out like beacon lights were their high self-esteem, strong sense of values, respect for mankind and an inherent humility. Values are imbibed and can rarely be imposed on anyone, as any scholar will agree.

In analysing casestudies the Management student within a limited time allocated for it, the individual or group taking on the task will (hopefully) undergo an intellectual and emotional involvement that will prepare them to face similar situations in real life as when the manager in waiting is metamorphosed into a manager in action. In all cases the participant is encouraged to think outside the euphemistic box, free the spirit and be constructively illogical. The fact that many students will very often not have the administrative experience and will lack the ability to comprehend the complexity and start looking for the non-existent one best solution to the issues will be easily overcome when the horizons of imagination are extended and fetish of structured reason is cast aside.

When analysing these all management cases the participants, this author opines, should bear in mind the four fallacies of positive social science.

Scholars like Sadri have always avoided and rather depended on objectivity and bounded rationality to understand the given situation. These fallacies, which participants must avoid, are explained below.

- *The fallacy of composition*: When what is true for a part is taken to be true of the whole as well. One cannot forget that the whole is more than the sum of its parts and has its own identity and characteristic as well.
- *The fallacy of accident:* When what is true for a whole is taken to be true for the part as well. When we speak of characteristics of the whole certain generalities and averages are used. This is not necessarily the case when we speak of a particular part.
- *Post hoc sed non-proctor hoc:* When we assume that an occurrence after the event was because of the event. Sequencing of occurrences is usually random in real life and we cannot ascribe motive or reason to something merely because one occurrence followed another.
- *Correlation does not amount to causation*: Just because two variables are related statistically to each other it does not follow that one causes the other.

One sure shot way to make a mark and leave one's footsteps on the sands of time is to stand by certain values and ethics come what may, and, rely heavily on good governance practices if excellence is to be approximated. This is neither simple nor easy. Nevertheless, it is strongly recommended.

Especially H R experts must remember at all times this famous tenet of Karl Marx: *Man is the beginning and the end of all analysis; he is both the subject and the object of all inquiry.* (Here the word *man* is gender neutral and refers to mankind). Anybody who respects himself will surely respect others. In addition, if anyone wants to be respected, he/she must begin by respecting the other. Trust, faith, transparency, honesty, respect and love are virtues that must be cherished and they are always reciprocal. For instance, one cannot expect to be trusted by others if one does not give others the trust that is due to them. The influence of the internal as well as the external environment cannot be assumed away or under estimated. This is because, in the end, to quote Fredrick Engels, *Every man, like every country, makes his own destiny; but he makes it under certain specific conditions over which he has little control.*

Sadri finally argues that it would be always better for participants to use statistics judiciously and not read too much meaning into them. In short,

one needs to remember Confucius who proclaimed that *do not look for reason when reason need not exist*. A healthy mistrust for statistical inferences is safe although statistical evidence cannot and should not be completely discounted. George Bernard Shaw, the first Director of the London School of Economics and Political Science had once thus remarked: *Statistics is like a blind man looking for a black cat in a dark room that does not exist.* This is where statistics stops becoming an end in itself and starts becoming one of the important instruments to augment decision-making. And management students must take their cue from both Sadri and Shaw.

REFERENCES:

1. Collins English Dictionary - Complete & Unabridged 2012 Digital Edition, © William Collins Sons & Co. Ltd. 1979, 1986 © HarperCollins Publishers 1998, 2000, 2003, 2005, 2006, 2007, 2009, 2012

2. Freire, Paulo (2007) *Pedagogy of the Oppressed.* New York: Continuum

3. Jayashree S (2005) *What Every MBA Should Know About HRM* Mumbai Himalaya Publishing House

4. Jayashree S, Sadri S and Dastoor D S (2008) *Theory and Practice of Managerial Ethics,* Delhi, Jaico Book Co,

5. Jayashree S, Sadri S and Nayak N (2009) *Strategic Human Resource Management,* Delhi, Jaico Book Co,

6. Johnson Gerry and ScholesKeran (1997) *Exploring Corporate Strategy: Text and Cases* New York, Prentice Hall.

7. Kitson Alan and Campbell Robert (2008) *The Ethical Organization,* New York, Palgrave-Macmillan

   Knowles, Malcolm

8. ; Holton, E. F., III; Swanson, R. A. (2005). The adult learner: The definitive classic in adult education and human resource development (6th ed.). Burlington, MA: Elsevier

9. Roger Gomm, Martyn Hammersley, Peter Foster (eds) *Case Study Method: key issues and key texts,* London Sage Publications

10. Sadri S and Jayashree S (1997) When the Mediocrity is Empowered: Woe to thee O! HR Professional, *Management and Labour Studies*, autumn

11. Sadri S, Sinha A K and Bonnerjee P (1998); *Business Ethics: concepts and cases,* New Delhi Tata McGraw Hill

12. Sadri S, Jayashree S and Ajgaonkar M (2002) *Geometry of HR,* Mumbai, Himalaya Publishing House

13. Sadri S (2005) *Human Resources Management* (a case studies approach), Himalaya Publishing House

14. Sadri S and Jayashree S (2014) Management of Change in Organizations that Use the Top Downward Structure" *International Journal of Multi-disciplinary Approach and StudiesIJMAS*, Vol 5 October

15. Sadri S and Jayashree S (2014) Evaluation and Effectiveness of Training Systems in Indian Industry [a research study in Greater Pune, *ActaUniversitatisDanubius. Œconomica,* Vol 10, No 2

16. Sadri S (2016) *Business Excellence through Ethics and Governance*, 2nd Edition, New Delhi Bharti Publications,

17. Spencer Lyle M Jr (1995): *Re-engineering Human Resources* New Delhi, John Wiley

HR CLIMATE AND ITS IMPACT ON EMPLOYEE BEHAVIOR IN SOFTWARE INDUSTRY

Dr. Gauri Dhingra
Assistant Professor
S. S. Jain P.G. (Autonomous) College
Jaipur
Ms. Shravasti Jain
Lecturer
S. S. Jain P.G. (Autonomous) College, Jaipur

ABSTRACT

Organizational Culture is a set of shared understandings, norms, values, attitudes and beliefs of an organization which it can use to foster change and drive smooth functioning in the organization. Organizational culture enables employees to understand how an enterprise does things. Culture dominates the employees and their behavior in the organization. This paper focuses on studying the organizational climate in the software industry and dominating organizational culture factors. It also analyzes the behavior of employees towards the organizational climate. Analysis is done through MS-Excel and represented in tables. The paper succeeds to cover the scope of the article and provide suggestions regarding implementation of culture to stimulate employee behavior.

Keywords: HRD Climate, organizational culture, employee behavior

INTRODUCTION

The organization's culture is created through the organization's founder(s), their philosophies, policies, values and beliefs and their composition leads to defining behavior of employees.An organization's culture comes from what it believes and what it wishes to incorporate in its functioning. The ultimate source of an organization's culture is its founders, their vision and their ideologies. The organizational structure, hierarchy and delegation all of this is determined by organizational vision and philosophies. Organizational culture is the backbone of the same.

Organizational culture comes from sharing and learning. It is a psychological system of human values, beliefs, communications and explanations for guiding people who come near to this system. There are various theories and adaptation to organizational culture. According to Hofstede, there are four dimensions of organizational

culture namely:

i) Power distance: under this organizations evaluate their degree of centralization and delegation, how they share power or remain unequal prone to their post and hierarchy.

ii) Individualism and Collectivism: this enables to understand the strength of ties among the people in the organization. It is the level of privacy, an individual wishes and the level to which they emphasize on social interactions.

iii) Masculinity and Femininity: it defines the societies or work culture where the roles of men and women are discriminated and fixed accordingly and where relationships are made with mutual cooperation irrespective of gender.

iv) Uncertainty avoidance: this dimension focuses on the organization and its emphasis on the future planning. It describes the level to which the employees and the founder of the organization are concerned for their future and strategize for the same.

From Denison's model there are four other theories likely;

i) Consistency Theory: it shows that the organizations have strong culture and are based on core values leading to integral integration.

ii) Involvement Theory: the organizations are based on the idea that involvement and participation leads to sense of responsibility and ownership. The organizations make employees more committed and connected to the organizations.

iii) Adaptability theory: this theory is based on the idea that organization's ability to interpret the environment and its changes which would enhance its survival would be improvised by the norms and beliefs. Over time organizations adapt and take risks and learn from mistakes. These lead to promote improvements and enhance value.

iv) Mission theory: the functions and procedures adopted by the organizations are influenced by goals, purpose and clear sense and direction. Mission changes and so does

organization.

Many more other models have been formulated by various thinkers which proves that organizational culture is an indispensable part of the organization.

Keeping a Culture Alive

There are practices within the organization that act to maintain it by giving employees a set of similar experiences. Three forces play a particularly important part in sustaining a culture: selection practices, the actions of top management, and socialization methods.

Selection

The explicit goal of the selection process is to identify and hire individuals who have the knowledge, skills, and abilities to perform the jobs within the organization successfully.

The final decision as to who is hired will be significantly influenced by the decision maker's judgment of how well the candidates will fit into the organization. This results in the hiring of people who have values consistent with those of the organization.

Additionally, the selection process provides information to applicants about the organization. Selection, therefore, becomes a two-way street.

Example—applicants for entry-level positions in brand management at Procter & Gamble (P&G). Each encounter seeks corroborating evidence of the traits that the firm believes correlate highly with "what counts" for success at P&G.

Top management

The actions of top management, what they say and how they behave, establish norms that filter down through the organization as to:

- · Risk-taking.
- · How much freedom managers should give their employees.
- · What is appropriate dress?

What actions will pay off in terms of pay raises, promotions, and other rewards?

Socialization

New employees are not fully indoctrinated in the organization's

culture. They are unfamiliar with the organization's culture and are potentially likely to disturb the beliefs and customs that are in place.

Socialization

The process through which the employees are proselytized about the customs and traditions of the organization is known as socialization. It is the process of adaptation by which new employees are to understand the basic values and norms for becoming 'accepted' members of the organization. Socialization is a process made up of three stages: pre-arrival, encounter, and metamorphosis.

- The first stage, *pre-arrival*, encompasses all the learning that occurs before a new member joins.

- In the second stage, *encounter*, the new employee sees what the organization is really like and confronts the possibility that expectations and reality may diverge.

- In the third stage, *metamorphosis*, the relatively long-lasting changes take place. The new employee masters the skills required for his/her job, successfully performs his/her new roles, and makes the adjustments to his/her work group's values and norm.
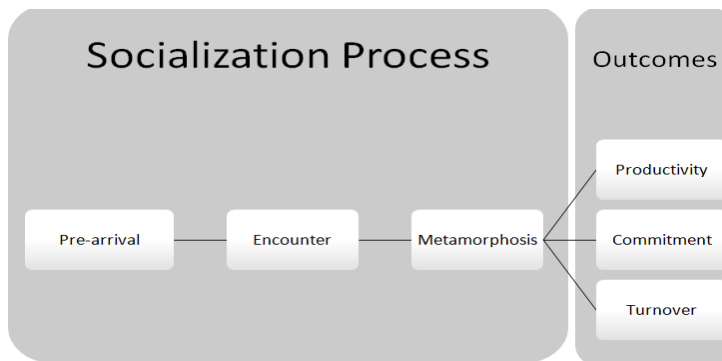
How Employees Learn Culture

·   **Stories:** Stories typically contain a narrative of events about the organization's founders, rule breaking, rags-to-riches successes, reductions in the workforce, relocation of employees, reactions to past mistakes, and organizational coping. They anchor the present in the past and provide explanations and legitimacy for current practices

·   **Rituals:** Rituals are repetitive sequences of activities that express and reinforce the key values of the organization, what goals are most important, which people are important, and which are expendable.

·   **Language:** Many organizations and units use language as a way to identify members of a culture or subculture. By learning this language, members attest to their acceptance of the culture and help to preserve it. New employees are frequently overwhelmed with acronyms and jargon that, after six months on the job, have become fully part of their language.

Literature Review

Schein (1983)has stated that an organization's current customs, traditions and beliefs are due to the presence of procedures followed before and the goals framed.The organization and its founders have a vision which limited by ideologies.

Harrison and Stokes (1992) said that culture shapes behavior and ultimately affecting their personality which has effect on their performance. The culture defines the way decisions are made.It also effects the internal and external environment of the firm which has effect on the response that employees give to it.

Raymond Williams (1992) defined culture as a set of guidelines and procedures for direction. He said that cultures give the base for existence and direction for those who break any rules.

Berthon (1993) views culture as the results of the human actions and shows the link between the ideas of psychologicalbehavior and attitude derived from this.

McKenzie (1994) defined culture as the use of artifacts and rituals to pass on notions of identity. These resources of identity sustain structures of feeling that organize and make sense of everyday life.

Mahler (1997) said that organizational culture influences employees'

attitudes within the process of organizational change and enhance their experience and performance.

Pool (1997)had said work culture has become important in modern world for managers, management scholars and consultants. Corporate culture leads to well documented work process, procedures for treating employees fairly and consistently participating in training and continuing education.

Xin Ma, Macmillan (1999), in their research paper said that managers can increase employee satisfaction by creating cultures with characteristics expressed in terms of collegiality and collaboration.

Collins and Porras,2000 identified that organizational culture refers to a system of shared meaning held by members of the society that distinguish one organization from other organizations.

RESEARCH METHODOLOGY

The research is descriptive in nature. The sample organizations are taken from the software industry. The structured questionnaire is distributed among the employees of companies like Infosys Technologies, Symantec Corporation, IBM. The size of sample is 150, 50 from each of the organizations. The 5-point Likert Scale is used in study. The data is processed through Microsoft Excel. It is used to create pie-charts and tables for mean and percentage calculation.

DATA ANALYSIS

The findings of the project can be explained with the help of following tables:

Leadership	No. of Respondents	Percentage
Strongly agree	105	12%
Agree	355	39%
Neutral	290	32%
Disagree	106	13%
Strongly Disagree	44	5%
Mean	**3.41**	

From the above table it is shown that the leadership is an important factor of organizational culture and it has a huge impact on employees' behavior. Higher the role and responsibilities given to a leader better the organizational culture. Around 39% said agreed to the fact that leadership is an indispensable factor for organizational development and for maintaining organizational culture. The average mean index is 3.41.

Communication	No. of Respondents	Percentage
Strongly agree	150	17%
Agree	308	34%
Neutral	242	27%
Disagree	135	15%
Strongly Disagree	65	7%
Mean	**3.38**	

The table above represents that communication is as important as leadership as a factor of organizational culture. Better the communication process within organization better the organizational culture. Around 34% agreed that communication is important in an organization and helps in understanding the work assigned to them better and building better relations between the employees. Average mean index is 3.38.

Professionalism	No. of Respondents	Percentage
Strongly agree	134	18%
Agree	286	38%
Neutral	205	27%
Disagree	85	11%
Strongly Disagree	40	5%
Mean	1.71	

From the above table, it is shown that professionalism does not have an impact on the employees behavior and is not considered as an important factor of organizational culture. Around 11% said they disagree with the fact that professionalism as a factor of organizational culture has an impact on employees' behavior. The average mean index is 1.71.

Participation & Decision Making	No. of Respondents	Percentage
Strongly agree	174	17%
Agree	430	41%
Neutral	300	29%
Disagree	95	9%
Strongly Disagree	51	5%
Mean	2.5	

The above table represents that participation and decision making has somewhat impact on the behavior of organizational culture. Around 29% are neutral i.e., they neither agree nor disagree to the fact that participation & decision making as a factor of organizational culture. The average mean index is 2.5.

Conflict Management	No. of Respondents	Percentage
Strongly agree	74	10%
Agree	270	36%
Neutral	275	37%
Disagree	106	14%
Strongly Disagree	25	3%
Mean	3.44	

From the above table it is shown that conflict management is as important as leadership and communication as a factor of organizational culture. It does have a huge impact o employees' behavior. It is important

for an organization to have a good conflict management as conflicts can arise anytime between employees within organization which leads to differences on opinions of employees and delay in work. Around 36% agree to the fact that conflict management is an important factor of organizational culture. The average mean index is 3.44.

Salary & Benefits	No. of Respondents	Percentage
Strongly agree	75	13%
Agree	232	39%
Neutral	220	37%
Disagree	47	8%
Strongly Disagree	26	4%
Mean	**3.47**	

The table above represents that salary & benefits does play an important role as a factor of organizational culture. It has a huge impact on employees' behavior as salary & benefits also play its role as a motivational tool. The better the salary &benefits the better the working conditions of the employees. The employees are motivated and work even harder in order to achieve the objectives of the organization. Around 39% agree to the fact that salary & benefits have an impact on employees' behavior and are an important factor of organizational culture. The average mean index is 3.47.

 The project can be concluded with the help of the following table:

Factors/Variables	Average Mean Index
Leadership	3.41
Communication	3.38
Professionalism	1.71
Participation & Decision Making	2.5
Conflict Management	3.44
Salary & Benefits	3.47

CONCLUSIONS

·   Conflict management and Salary & benefits are important factors and have more impact on the employees' behavior with having average mean index 3.44 and 3.47 respectively. Salary and benefits also play the role of motivational tool which helps in increasing the working conditions of employees as they are motivated with better salaries & benefits. Around 39% of respondents agree to the fact.

·   Whereas 36% of respondents agreed to the fact that conflict management is important because it is necessary to have a better understanding on what the employees are discussing about the work they are assigned in a constructive manner and achieve the organizational goals on time.

· Leadership and Communication are also important factors of organizational culture having the average mean index 3.41 and 3.38 respectively. Their impact on employees' behavior is huge.

· 39% of respondents agreed and explained thata good leadership of managers helps the employees to gain their self confidence and finish their task on time. Also a good leadership helps managers to gain the trust of their employees as they help them in understanding their job or task, take note of their grievances, include them in the decision making process etc.

· Communication is important because it helps in understanding what the other person is thinking or what are his/her opinion on a particular situation. A two way communication is always better than one way communication.34% of respondents said thatthe employees feel a sense of importance since the management is open with them regarding the decisions taken by the management and also they lend their ears to hear out the grievances of the employees.

· Professionalism is not considered as an important factor of organizational culture. Its average mean index as mentioned above is 1.71. Around 11% of the employees believe that professionalism does not have much impact the behavior of the employees.

· Participation & Decision making is somewhat important as a factor of organizational culture and has somewhat impact on employees' behavior. Around 29% of the respondents are neutral towards the fact that participation & decision making as a factor of organizational culture and its impact on employees. The average mean index as mentioned in the above table is 2.5.

Limitations of the study:

· The whole IT sector could not be covered for the research of the project due the time limit of the project.

· The no of respondents were 150 but not all the 150 respondents cooperated while filling the questionnaire. Some of them submitted unfilled questionnaires.

· Some of the respondents were unaware of the subject of the question. To cover up their ignorance, they provided some other

answer.

· There was even lack of coordination between the respondents and the surveyer at some point of time.

References :

1. Schein, E.H. 1983, the Role of Founder in Creative Organizational Culture, "Organization Dynamics Summer.

2. Harrison, R & Stokes, H. 1992, Diagnosing Organizational Culture: A Book of Jossey Bass, San Francisco.

3. Williams, R. 1992, The Long Revolution, London: Hogarth Press.

4. Berthon, P.R, 1993, "Psychological Type and Corporate Culture: Relationship and Dynamics", Omega, Vol.21, pp.329-344.

5. McKenzie, W. 1994, "Virtual Geography", Indiana University Press.

6. Mahler, J. 1997, Influences of Organizational Culture on Learning in Public Agencies, Journal of Public Administration Research & Theory, 7(4), pp. 519-541.

7. Pool, S.W. 1997, "The Relationship of Job Satisfaction with Substitute of Leadership, Leadership Behavior and Work Motivation", The Journal of Psychology, Vol.131, pp.271-283.

8. Xin Ma, Macmillan, R.B. 1999, Influences of Workplace Conditions on Teachers' Job Satisfaction, Journal of Education Research, 93(1), pp.39-48.

9. Collins, J.C. & Porras, J.I. 2000, Built to last: Successful habits of visionary companies, 3rd edition, London: Random House Business Books.