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# **THE RELATIONSHIP BETWEEN WORK COMMITMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR AMONG MANAGERS IN THE PRIVATE ORGANIZATIONS – AN EMPIRICAL STUDY**

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## **ABSTRACT**

The last decades of the 20th century saw increasing research in the area of beneficial non task behavior of employees. Organizational Citizenship Behavior (OCB) is a behavior that extends beyond the functions and behaviors formally required of employees in an organization. Such behavior is indispensable, because of its contribution to better organizational performance. The model presented in this study examines OCB of Managers employed in the Private Organizations in Hyderabad, while relying on a continuous series of studies related to employees' commitment attitudes. The findings show that the commitment model contributes to explain variance in OCB. Specifically, affective organizational commitment and OCB are significantly related, as are career commitment and OCB. The empirical and theoretical implications of these findings are discussed.

**Keywords:** Organizational Citizenship Behavior, Private Organizations, Affective Commitment, Career Commitment, Continuance Commitment, Protestant Work Ethic, Job Involvement

## **INTRODUCTION**

Highly committed members are likely to be willing to contribute much effort on behalf of the organization. Strong attachment of the individual to an organization enables better adaptation capabilities and higher responsiveness to changes in customer demands (Sanchez, Kraus, White, & Williams, 1999; Paul & Ebadi, 1989). To adapt to environmental constraints, executives try to promote employees' behavior that demonstrates identification with and commitment to the organization, behaviors

that will ensure better and more dedicated efforts from their employees. In many Organizations, the employees constitute a major factor that influences the efficiency and professional functioning of the organization (Becker & Martin, 1995). Hence, to function successfully, each organization is interested in promoting employees who are committed to it and to the organization and its goals.

Nowadays, when the rate of turnover among organizations is high and still increasing (Phillips, 1999), it is important that managers succeed in creating an environment of commitment in order to reduce the possibility of turnover in their particular company. The commitment on the managers' part need not take the form solely of financial rewards but can include forms of "caring", e.g., subsidies in healthcare, informal get-together with employees, and similar indications that the company has the employees' welfare at heart (Reichman & Sterling, 2002).

The research literature suggests various strategies for checking employees' quality, mostly based on assessing the efficiency of the employees and their contribution to the organization's performance usually gauged by standard measures such as profitability and economic effectiveness (Ferris, Judge, Rowland & Fitzgibbons, 1994). At the employee's level, this means high output and greater commitment to his/her job and to the organization. Other strategies examine informal aspects of employees' relationship with their work and organization, by measuring attitudes and behaviors. Still other theories have suggested including dimensions that extend beyond the formal role of the worker (Katz, 1964). These include his/her contributing to the organization and to other employees, for example, helping a new employee to feel part of the organization, supporting organizational tasks, and preserving the organization's resources (Brief & Motowidlo, 1986). Later this informal strategy was defined and termed Organizational Citizenship Behavior (OCB). This phrase serves to describe and examine employees' informal behaviors in an organization, namely those that are not directly identified with formal job functions (Smith, Organ & Near, 1983). Currently, the reward plans of many public corporations do not include an estimation of OCB behaviors; in many private organizations, there is more support for OCB.

Several definitions have been proposed to explain the meaning of the term OCB. In general, as stated, OCB reflects employees' behaviors that are beyond their formal job definition and are not required by the regular reward system (Organ, 1988). Such behavior supports the organization's goals. OCB was also found to apply to an employee's attitude toward other members of the organization (Becker, 1992). It can involve caring for others in the organization, even at the employee's own expense, for instance, relinquishing certain job benefits to prevent redundancies (Puffer, 1987).



All this is perceived as an organizational behavior that has a positive impact on the organization (Organ, 1990). As is known, this literature dates back to Becker's (1960) concept of accepting authority; this requires that the overall policy is for the good of the organization. In addition, the worker is expected to show greater flexibility and cooperation within the organization (Goulet & Frank, 2002; O'Reilly & Chatman, 1986). In addition to the above, Organizational Citizenship Behavior leads to greater freedom of operation among the employees themselves, as they assist each other. Such behaviors must also influence the degree of the organization's flexibility within its environment, a capacity that is necessary if the organization is to fulfill its tasks in a dynamic environment. An example of higher OCB, indicating a employees' greater flexibility and willingness to work beyond the formal limits of his/her job (Christina, 2001) is his/her readiness to volunteer for team activity even though this is not specified in his/her formal work contract.

In sum, to perform optimally and to meet its own goals the organization has to apply assessment methods that cover such informal behaviors. Due to the great importance of OCB among an organization's employees, studies in the last few years have focused on evaluating the dimensions of the factors that create desirable OCB and the implications of OCB for the organization's functioning (Hodson, 2002; O'Reilly & Chatman, 1986). According to these studies, organizational commitment is not necessarily viewed as an actual behavior, but as employees' psychological perception of their place within the organization (Meyer, Irving, & Allen, 1998). Such a perception is reflected in the employee's degree of loyalty to the organization. If the company succeeds in creating feelings of loyalty and commitment in most of the employees, there is a greater probability that it will meet its goals, and enhances its overall performance. Consequently, researchers have suggested that a high degree of organizational loyalty may fit the definitions of OCB.

Despite the great importance of OCB in the organization, general models integrating work attitudes, their development, and their influence on the existence of OCB are lacking (Williams & Anderson, 1991). As a rule studies on an OCB deal with the identification of discrete and specific variables related to it. To date few studies have measured the degree of OCB as part of a comprehensive model of job attitudes (Christina, 2001). To the best of our knowledge, very few studies have examined OCB within the Private Organizations, and even fewer among Managers; we think, therefore, that this research will add a meaningful aspect to the field of OCB (McLean & Andrew, 2000; Tepper & Taylor, 2003).

Finally, an integrative examination of the factors influencing OCB may contribute to the development of systematic methods for both assessing and motivating employees'

contribution to the organization. Next the paper will discuss the importance of multiple commitments to the work and to the organization, and the relationship between the commitments to OCB.

This paper uses a pre-existing integrative model, and examines its variables and their influence on OCB (Randall & Cote, 1991). This model is based on five universal forms of work-commitment, constituting the basis of Morrow's important work which first appeared in 1983. Since then, many studies have shown that these five attitudes strongly influence a large part of work outcomes. Based on this existing commitment model, this study maps the commitments leading to the creation of high OCB in employees, and explains the relationship between the existing model and OCB (Organ & Paine, 1999). In conclusion, we propose a revised model of factors influencing OCB. This model characterizes the cultural context of the Private Organizations of Managers in Hyderabad.

Various approaches to understanding OCB suggest that this variable is multi-dimensional. In general, OCB has been described as consisting of two major directions. One is a behavior directed to the members of the organization, for example, supporting and assisting another team member, or helping a new worker (Organ & Paine, 1999). This direction has been referred to as "OCB Altruism." The second type of behavior is directed toward the organization as a whole, i.e., treating it as an extension of one's own possessions. Examples of this would include a very high work ethic beyond the formal expectations, very few absences from work (Williams & Anderson, 1991). These two behavioral directions could help employees gain added recognition, since it is easily identified by organization administrators; however, as mentioned, many administrators currently have no authority to control, supervise, or reward such behaviors (Cohen & Vigoda, 1997).

This study chose to consider both OCB components. That is, the dependent variable in the current study is composed of two parts: OCB directed to other employees in the organization – OCB Altruism, and OCB directed to the organization in general – OCB Compliance. As mentioned earlier, the Randall and Cote model is based on Morrow's, as we shall now see.

### **Universal forms of work commitment: Factors that influence OCB**

In her book, Morrow (1993) shaped five major commitments that, in her view, influence each other. She maintains that at the end of this influence path are the job results. The five meaningful commitments are: Protestant work ethic, Career commitment, Job involvement, Continuance, and Affective commitment.

These five commitments can be divided into two major groups: The first group, Personal Commitments, examines commitments that influence employees' job attitudes without relating to the particulars of the organization, and includes Protestant work ethic, (Mirels & Garret, 1971), Career commitment (Greenhaus, 1971), and Job involvement (Blau, 1985). The second group that of Organizational Commitments includes commitments that are influenced directly by the organization to which the employee belongs, and includes Continuance commitment and Affective commitment (Allen & Meyer, 1993).

Protestant work ethic is viewed in the literature as influenced by the individual's personality structure and by the cultural environment (Morrow, 1983). A high Protestant work ethic emphasizes the value of work in and of itself and de-emphasizes other variables such as the particulars of the organization, time frames, and rewards (Blood, 1969; Furnham, 1990; Weber, 1958). An individual with a high Protestant work ethic believes that work is of highest value and that all other considerations derive from it (Greenberg, 1977, 1987; Mudrack, 1999).

Job involvement is the employee's commitment to his/her present job. It is not unlike the Protestant work ethic and can also be perceived as a major factor in work life. Job involvement, however, is influenced not only by personality structure but also by the employee's job history. Demographic data such as gender, seniority, education, and age were found to influence high job involvement (Morrow, 1993). This commitment is considered a basic and well-established characteristic in the worker and does not necessarily relate to other job-related concerns such as organizational satisfaction (Kanungo, 1982; Lodhal & Kejner, 1965).

Career commitment refers to one's investment in having and advancing a career, is influenced by demographic variables as well as job satisfaction (Greenhaus, 1971). Several studies show that career commitment is greatly influenced by external factors such as job variables and the employing organization. This variable, thus appears to be associated with both the employee's personality traits and features of the organization and can fluctuate between the two sources of influence.

In terms of job performance, the most important commitment identified to date was termed Organizational commitment (Allen & Meyer, 1990). Research has indicated that this is not a stable element in the employee's life, and because it can change relatively quickly it is now being studied more widely (Randall, Fedor, & Longenecker, 1990). The concept of organizational commitment has been developed in three directions: beneficial organizational commitment (Dessler, 1999); continuance organizational commitment, based on rewards given by the organization to the

worker; and affective organizational commitment, which concerns the employee's degree of affiliation with the organization's goals and values.

Morrow (1993) argued that only two of these three organizational commitments, affective and continuance, can be empirically processed and investigated because they seem to be universal, applying to a wide variety of professions. These two, therefore, were integrated into the models that relate commitment to work results (Iverson & Buttging, 1999).

Continuance organizational commitment (COC) rests on the Side-Bet theory of Becker (1960), namely employees always makes cost-benefit considerations regarding their relation to the organization. Employees who feel that they are properly or even favorably rewarded for their investments in the organization will want to continue to invest (Allen & Meyer, 1996). But employees who feel that they invest more than they receive from the organization will invest less in the organization in the long run, in order to balance the investments with the rewards, until they opt to leave the organization (Somers, 1993).

Affective organizational commitment (AOC) is influenced by the organization's goals and values and consists of factors related to occupational history in the organization and to socio-demographic factors. Occupational history in the organization includes variables such as a challenging job, good relations with the people in charge, receiving feedback and evaluation of job performance, and the degree of creative freedom afforded by the job. The older the employee, the fewer the occupational alternatives before him/her; therefore, affective organizational commitment will be less. Women exhibit it less than men, but in both men and women a longer period of service has a positive influence on the degree of affective organizational commitment.

To summarize, an employee who shows high affective organizational commitment will choose to stay and contribute to the organization by virtue of his/her belief in the organization's values. A worker with high continuance organizational commitment will remain and contribute to the organization due to a feeling of specific profitability, which adequately corresponds to a certain occupation period (Somers & Birnbaum, 2000).

## **OBJECTIVES OF THE STUDY**

1. To measure the magnitude of the relationship between Job Involvement and Protestant Work Ethic.
2. To identify the relationship between Job Involvement and Organizational

### Citizenship Behavior

3. To study the relationship between Protestant Work Ethic and forms of work commitments: continuance, affective and career commitment.
4. To estimate the relationship between organizational commitments and Organizational Citizenship Behavior

### **The Research Model**

The Morrow's model was first introduced in 1983, but was investigated by Randall and Cote only in 1991. The model proposed by the latter two author deals with the same five commitments: Protestant Work Ethic, Affective and Continuance Organizational Commitments, Career Commitment, and Job Involvement. Both models recognize these as the most basic elements in work commitment. They also agree that the element least likely to change in the employee is the Protestant Work Ethic, hence it is placed first in both models (Furnham, 1990).

However, after their research in which they agree with Morrow's findings, Randall and Cote's study present a model structured differently from hers. According to their study, the model changes direction: Protestant work ethic influences job involvement, which in turn influences the three variables of affective, continuance, and career commitments. Given that the Protestant work ethic is a relatively stable variable for the worker, whereas the three commitments it influences are more changeable, it was conceivable, according to Randall and Cote, that these variables were mediated by the variety of job involvement. It was, in fact, reasonable to suggest that a property as basic and rooted in the worker as the Protestant work ethic would lead employees to invest in the job and demonstrate high job involvement. Cohen (1999; 2000) conducted an empirical analysis comparing the models of Morrow and of Randall and Cote, and found a different structure of these five universal forms that influence work results. In the current study, therefore, we chose to draw on the structure of the commitment model suggested by Randall and Cote (1991). Figure 1 presents the research model. It hypothesizes that job involvement mediates the relationship between Protestant Work Ethic and three forms of work commitment: continuance, affective and career commitment, which, in turn, affect organizational citizenship behavior.

Figure 1  
The Research Model



#### Method

The study population consisted of 1100 Managers working in private organizations. The studied population was randomly chosen from the Hyderabad Managers'. Therefore comprehensible to Managers all over the country. The material in this research is therefore applicable to Managers in Hyderabad and may be extended to other states and countries.

Questionnaires were sent to the sampled population by mail, and the return address was that of the research team. A total of 194 questionnaires was returned, which is approximately 17.7% of the questionnaires sent. Such a low response rate was probably due to the following causes. First, the Israeli Managers' Index had not been updated at the time the questionnaires were sent so only about 90% of the addresses found were accurate. Second, such a study population is generally less cooperative than that of other professions. I would suggest that this is because they are working more for themselves than for the good of the public. In addition, only 183 questionnaires of 194 were used due to missing values. The sample profile shows that 54.6% of the respondents were women. Average age of the responders was 34.4 years. Average time in the current organization was 5.9 years, while the average time in the profession was 7.4 years. Of the responders, 71.7% were employees and 28.3% were partners or owners of the firm; 73.4% were married, and average monthly income was 17,646.

### **Measuring the variations:**

The protestant work ethic has been described in the literature as belief in hard work that is not motivated by the desire for a suitable reward, satisfaction, or other benefits (Morrow, 1993). This variable is measured on a 19-item scale ( $\alpha = 0.73$ ) developed by Mirels and Garrett (1971); a sample item is: "Our society will have fewer problems if people have less spare time". Job involvement is characterized in the literature as an employee's belief that his/her current job is the most important and most meaningful factor in his/her life; therefore, it is very important for the worker to invest most of his/her resources in it (Kanungo, 1982). The tool suggested for measuring the job involvement variable is Kanungo's (1982) 10-item scale ( $\alpha=0.83$ ). A sample item is: "Most of my goals are associated with my job."

Organizational commitment: One element of this construct, namely continuance commitment, has been defined as "the extent to which employees feel committed to their organizations by virtue of the costs that they feel are associated with leaving". The other element, affective commitment, is "positive feelings of identification with, attached to, and involvement in, the work organization" (Meyer & Allen, 1984, p. 375). Employees with strong continuance commitment remain because they need to, and those with strong affective commitment remain because they want to (Allen & Meyer, 1990; 1996). The measures of organizational commitment used for continuance commitment (eight items) ( $\alpha = 0.81$ ) and for affective commitment (eight items) ( $\alpha = 0.86$ ) were collected, assessed, and developed by Allen and Meyer.

A sample item of continuance commitment is: "It will be very hard for me to leave the organization now, even if I want to." A sample item of affective commitment is "I will be very happy to spend the rest of my career in this organization."

Career commitment has been defined as an employee's interest in furthering a professional career regardless of any particular organization or job (Blau, 1985). In the current study Blau's (1985) eight-item measure is used for this variable. The items are measured on a five-point scale from 1=strongly disagree to 5= strongly agree. ( $\alpha = 0.86$ ). A sample item is "I definitely want to pursue and develop a career in the field of law."

Organizational Citizenship Behavior is defined as an employee's contribution to the organization beyond the formal commitment involved in the job. The scale used to examine this variable in the current study is that of Smith et al. (1983). It includes the two components of OCB and fourteen items. Each item is measured on a five-point from 1= strongly disagree to 5= strongly agree. ( $\alpha = 0.75$ ). One sample item is: "I am punctual."

**Data analysis and Results**

In general, the model was found to be stable and demonstrate significant relationships. Additionally, according to the model, three commitments directly influence OCB: Affective and Continuance commitments, which belong to the organizational sub-type, and Career commitment, which is considered a personal type of commitment. Of these three, the most significant influences on OCB were found to be exerted by Affective and Career commitments. These findings support the central proposition of the current study, which states that a high level of organizational commitments influences high OCB of employees.

Table 1 presents the results obtained from the scales as composed for this study. Means and standard deviations ranged from .493 to 1.273. The reliability of all the scales was fairly good, ranging from .62 to .86. Table 1 also demonstrates that most of the variables were significantly related, thereby initially validating the research model, if not the causality or the direction of influence.

Table 1  
Descriptive statistics, reliabilities and correlations among the research variables

	Mean	S.D.	1	2	3	4	5	6
1. Career Commitment	3.16	.863	(.76)					
2. Job Involvement	3.87	1.42	.45**	(.85)				
3. Affective Organizational Commitment	4.80	1.27	.41**	.43**	(.77)			
4. Continuance Organizational Commitment	5.14	1.25	.26**	.06	.05	(.66)		
5. Protestant Work Ethic	3.63	.75	.18*	.35**	.30**	.06	(.64)	
6. OCB	3.84	.48	.34**	.15*	.26**	.14	.13	(.78)

\* significant at  $p < .05$

\*\* significant at  $p < .01$

Source: Primary data

The protestant work ethic was found to be related to Career commitment ( $r = .194$ ,  $p < .05$ ), and Affective commitment ( $r = .200$ ,  $p < .001$ ). Job involvement proved significantly related to Affective commitment ( $r = .407$ ,  $p < .001$ ) and also related to Career commitment ( $r = .505$ ,  $p < .001$ ). No relation was found between Job involvement and Continuance commitment. Career commitment was found to be



related to Affective commitment ( $r = .415$ ,  $p < .001$ ) as well as to the Continuance commitment ( $r = .276$ ,  $p < .001$ ).

As for the relationship between commitments and OCB, findings showed that both Job involvement ( $r = .168$ ,  $p < .05$ ) and Career commitment ( $r = .308$ ,  $p < .001$ ) were related to OCB; a significant relation was found between Affective organizational commitment and OCB ( $r = .287$ ,  $p < .001$ ). These findings partly support the research model. They are similar to others regarding the connection between work commitments and OCB.

Factor	r	Relation Found
Relationship between protestant work ethic and Career commitment	.194*	Yes
Relationship between protestant work ethic and Affective commitment	.200**	Yes
Relationship between Job involvement and Affective commitment	.407**	Yes
Relationship between Job involvement and Career commitment	.505**	Yes
Relationship between Job involvement and Continuance commitment	.000	No
Relationship between Career commitment and Affective commitment	.415**	Yes
Relationship between Career commitment and Continuance commitment	.276**	Yes
Relationship between Job involvement and OCB	.168*	Yes
Relationship between Career commitment and OCB	.308**	Yes
Relation between Affective organizational commitment and OCB	.287**	Yes

Source: Primary data

\* significant at  $p < .05$

\*\* significant at  $p < .01$

## DISCUSSION AND CONCLUSIONS

The current study helps by the mapping the factors that are meaningful and directly influence such behavior. The literature on organizational citizenship behavior of employees is vast and varied. It mostly tries to examine the essence of this behavior. To date the research literature has examined the reasons for the development of voluntary behavior in organizations, in an attempt to find the factors that might disrupt

and inhibit the development of this behavior. Generally, it would be interesting to find out whether the sort of OCB behavior described above is limited to Managers; whether there are similarities in their attitudes and those of other self-employed professionals, such as architects and accountants; and, if there is any connection between their behavior and that of other employees, such as blue-collar employees. Presumably, the more the elements that professions have in common, for example, higher education, work ethics, a long period of professional apprenticeship, the more similar will be the behavior of those working in such professions; this leads one to believe that generalizations, based on the conclusions, can be justified. In terms of theory, the current study continues to establish the approach common in organizational studies, according to which multiple commitments to an organization influence a variety of behaviors desired in the organization. However, in its practical implications, our study diverges from the mainstream in several ways. To the best of our knowledge, this is one of the few studies that examine OCB in the Private Organizations in general, and in the Managers' sector in particular, and perhaps the only study to examine such behaviors among professionals in the field of law.

This study is also unique in that it offers a comprehensive view of the interrelations among numerous factors and identifies their effects on OCB. In fact, the relations found in the current study were statistically significant and stable throughout the research model. Significant relationships were found to exist among all five commitments examined, except for the Protestant work ethic and OCB, Job involvement and Continuous organizational commitment, and Continuous organizational commitment and OCB. Nonobligatory contributions to the organization such as OCB seem to reflect organizational commitments grounded in values and goals, and the desire to promote these, rather than in concepts of personal benefit. Both the lack of a significant relationship between Continuous organizational commitment and OCB, and the prominent and significant relation found between Affective organizational commitment. Rather, according to the current study, they are anchored in and based on solid and positive attitudes to the organization as a whole. The lack of correlation between the Protestant work ethic and OCB can most likely be explained by the fact that other mediating factors, such as Job involvement, intervene. Finally, the insignificant relationship between Job involvement and Continuous organizational commitment further substantiates the idea that OCB, which stems from job involvement, is not a reflection of what the worker personally stands to gain but of his/her ethical involvement in the job. This is employees exhibit citizenship behaviors when they are involved in a job that is valued. OCB is less likely to be displayed because of high sacrifice or low alternatives, the two dimensions of continuance organizational commitment.

The aim of this study was to examine the relations between employees' positive attitudes toward work, that is, their organization-oriented commitments, and citizenship behavior in the organization. The findings support the assumption that an employee's positive attitude to the organization and believe in the values and goals that the organization represents are directly related to his/her desired citizenship behavior. The second variable found to be highly correlated with OCB was Career commitment. As noted, Affective commitment belongs to the organizational sub-group of commitments, while Career commitment is considered a personally grounded commitment that functions irrespective of the individual's particular organizational affiliation; the combination of both personal and organizational commitments seems to promote OCB. The limitations of these findings will be discussed at the end of the paper. Earlier we mentioned the two directions of Organizational Citizenship Behavior: OCB Altruism and OCB Compliance. Interestingly, our model proved unstable when the dimensions of only one of these behavioral types were applied. Both types of OCB must be considered if we wish to understand the factors that influence this behavior. This duality, as well as that of the personal and organizational commitments that inform

OCB, are particularly interesting in the context of the Private Organizations. Perhaps we ought not to be surprised that even in the Private Organizations, where career and personal motives are allegedly stronger than their correlates in the public sector, behaviors that extend beyond the formal duties of the job are necessarily altruistic in part. As such, they are motivated by a combination of personal and organizational concerns. The outcome of OCB for the organization includes more efficient work, better job performance, and a desire to stay and invest human resources in the organization. This study, therefore, supports the approach that suggests that organizational-type commitments have meaningful influences on employees in organizations. In light of these findings, organizations that wish to encourage employee OCB can address specific employee concerns, such as those encompassed in the organizational commitments. Such implications may be particularly meaningful in small, Private Organizations, where employees' OCB contribution typically goes a long way. To substantiate these implications, additional models should be developed.

Our study focused on law firms with a varying number of employees. We found that these employees' demonstrated organizational commitment and positive Organizational Citizenship Behavior unrelated to the organization's structure or size. That is, the phenomena discussed here are valid for organizations of various sizes. From a practical point of view, it is recommended that managers in private firms strengthen affective organizational commitment among their employees in order to enhance their OCB. As mentioned in this study and many others, it is very important

for the firm that its employees show a high level of OCB because there are undefined areas in which an organization needs employees who are willing, for instance, to be engaged in helping behaviors. Organizations which exhibit high citizenship behaviors are likely to perform better.

## **LIMITATIONS OF THE STUDY**

Certain limitations are evident in the current study, so certain reservations exist regarding its implications. First, the study examined how general work attitudes, mediated by organizational commitments, influence Organizational Citizenship Behavior. However, this is only one possible direction of influence. While this direction has been partly substantiated in other studies too, the influence may work in other directions as well: we may find that Organizational Citizenship Behavior is affected by additional factors and, in turn, influences some of the employee's commitments to the organization. Additionally, it is important to examine whether the current studies, findings, which show a path of reciprocal influences in a clear direction, are also applicable in the context of other organizations and sectors.

To further this field, future research can look into other work outcomes such as job performance, withdrawal intentions, or job satisfaction, at law firms and in the Private Organizations generally.

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# EVALUATION OF TRAINING PROGRAMMES: AN OVERVIEW

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## **ABSTRACT:**

This paper explains about training programmes and their evaluation process methods. One of the most nebulous and unsatisfactory aspects of training programmes is the evaluation of their effectiveness. Evaluation is any attempt to obtain information (feedback) on the effects of a training programme, and to assess the value of the training in the light of that information. Training Evaluation is the application of systematic methods to periodically and objectively assess the effectiveness of training and development programmes in achieving expected results, their impacts, both intended and unintended, continued relevant and alternative or more cost-effective ways of achieving expected results.

**Keywords:** Training, Evaluation, feedback, Change management, Administrative Training Institute.

## **INTRODUCTION**

In today's time a number of methods and interventions are being used to increase the ownership of the employees towards the organization. One of the very vital methods of motivating the employees and helping in his development is the training intervention for improving the knowledge, skillset and attitude of an employee. However, the training has a cost and therefore the managers should be prudent to get the maximum benefit out of this intervention for both the organization as well as the employees. The planning of a training programme based on the needs assessment of the employees ensures its utility in the long run. Evaluation is critical to ensure that the training remains on course and that it is well received and understood. The evaluation of a training programme is essential to know the efficacy of the programme so as to match the predetermined objectives with actually achieved results. If the deliverables in terms of improvement in knowledge, skill and attitude of the employees undergoing training are enhanced then the training is considered successful. The evaluation also acts as a continuous improvement mechanism for the future training programmes.

Evaluation is a planned process which provides specific information about a selected

session, program for the purpose of determining value and or decision making. Related to training evaluation is concerned with providing information on the effectiveness of the training activity to decision-makers who will make decisions based on the information. There are various models that have been developed to describe the role of evaluation in the training process. It is important that evaluation be a planned or systematic effort that is built-in from the start of the training process.

### **What is Training**

Training is the process for providing required skills to the employee for doing the job effectively, skilfully and qualitatively. Training of employees is not continuous, but it is periodical and given in specified time. Generally training will be given by an expert or professional in related field or job.

Training is required at every stage of work and for every person at work. To keep oneself updated with the fast changing technologies, concepts, values and environment, training plays a vital role. Training programmes are also necessary in any organisation for improving the quality of work of the employees at all levels. It is also required when a person is moved from one assignment to another of a different nature. Taking into account this context, this unit aims at providing insight into the concept, need and methods of training, also areas of evaluation of training, retraining and dimensions of organisational learning. Training is a process of learning a sequence of programmed behavior. It is the application of knowledge & gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the knowledge, skills & attitudes of employees. Training is investment in getting more and better quality work from your talent.

Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands. Since training involves time, effort & money by an organization, so an organization should to be very careful while designing a training program. The objectives & need for training should be clearly identified & the method or type of training should be chosen according to the needs & objectives established. Once this is done accurately, an organization should take a feedback on the training program from the trainees in the form of a structured questionnaire so as to know whether the amount & time invested on training has turned into an investment or it was a total expenditure for an organization.

### **Definition of Training**

Training is that process by which the efficiency of the employees increases and

develops. Training is a specialised knowledge which is required to perform a specific job. Training has been defined by different scholars of management. Some important definitions of training are as under:

Monappa & Saiyadain (2008), define training as “the teaching or learning activities carried on for the primary purpose of helping members of an organization to acquire and apply the knowledge, skills, abilities and attitudes needed by that organization. It is the act of increasing the knowledge and skill of an employee for doing a particular job”. Training therefore needs to be seen by managements of every organization as a long term investment in its human resource.

Dessler (2008), sees training further, as the means of giving new or current employees the skills they need to perform at their various jobs. Continuing, he sees training as the hall mark of good management and thus when managers ignore training, they are doing so to the great disadvantage of the organizations they are managing. This is because having high potential employees do not still guarantee they will perform on the job. This is why every employee must know what management wants him to do and how he must do it. Training therefore has had a fairly impressive record of influencing organizational effectiveness.

Cole (2004), argued that, human resources are the most dynamic resource of the all the resources at the disposal of the organization and thus, the human resource needs to be given considerable attention from managements to enable this resource realize their full potential in their work. For this reason managements must address motivation, leadership, communication, work restructuring, payment systems and training and development.

In the words of Dale S. Beach(1980), “Training is the organised procedure by which people learn knowledge and Improve skill for a definite purpose.”

In the words of Michael J. Jucius (1955), “Training is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.”

In simple words, to provide ability to the employee to perform a specific job is called training. Thus, the art. Knowledge and skill to accomplish a specific job in a specific way is called training.

### **OBJECTIVES OF TRAINING**

The objectives of training according to the employees belonging to different levels of organizations. The basic objective of training, however, is to establish a match

between employee and his job. This training is designed to improve knowledge, skills, and attitude and, thus equip the individual to be more effective in his present job or prepare him for a future assignment. However, individual's growth should not be taken as an end. From the point of view of an organization individual growth is a means to organizational effectiveness. The viability depends on the efficiency that an organization achieves in meeting its goals.

**Induction:** Training constitutes a significant step in the induction of the individual into the company's way of life. It helps the employee to know the company's culture, structure, relationship's role, policies and rules of the organizations. The basic idea is to take relatively young people and expose them to the various departments and functions of the organization to help them to know the organization better. At the end of this period, either the trainees are placed in a specific department or they are allowed to choose.

**Updating:** A significant objective of training is to prevent the obsolescence of the employees by updating their skills and knowledge. The jobs that employees have been doing are not static. They change, sometimes, without the necessary awareness. For example, introduction of computers has changes job substantially. So the training becomes necessary to update them, to reach the newer skills and their efficiency does not suffer because of lack of understanding of the new technology.

**Preparing for Future Assignments:** One of the objects of the training is to provide an employee an opportunity to climb up the promotional ladder. There are two ways to do this, One, people with potential can be identified and sent to appropriate training programmes to prepare them for future positions. The other could be to train them for the next level and wait for the opportunity to absorb them. Another variation of this could be that an employee is promoted and then sent for training. In all cases, it helps an organization to have trained manpower available as and when needed.

**Competence:** Organizations, which have stagnated for long, need to identify certain individuals who are creative and show potential for innovation and sent them to special training programmes designed to realize the new competencies. These programmes do not necessarily meet the job related requirements but are designed to induce certain special talents. Programmes on creativity, innovativeness, and the like are now offered by many agencies.

### **Training Need Assessment**

Identifying training needs is a process that involves establishing areas where employees lack skill, knowledge, and ability in effectively performing the job and



also identifying organizational constraints that are creating road blocks in the performance.

**Organizational Analysis:** The analysis would help identify deficiencies and mechanisms that would be needed to make adjustments in those deficiencies. This analysis begins with an understanding of short-term and long-term goals of the organizations, as a whole, and for each department specifically. This would help to identify what capacities are needed to fulfill these goals.

**Task Analysis:** This involves a detailed analysis of various components of jobs, and how they are performed. Analysis of tasks would indicate whether tasks have changed over period of time and whether employees have adequate skill in performing these tasks.

**Man Analysis:** The focus is on employee's skills abilities, knowledge, and attitude. Of the three, this is a more complex component because of difficulties in assessing human contribution. Generally such indicators as production data, meeting deadlines, quality of performance, personal data such as work behaviour, absenteeism, late-coming provide input for man analysis.

**Analysis of Equipment:** Change in equipment or modification of existing machines and equipment calls for new skills and abilities. An analysis of changing technology, therefore, becomes a handy mechanism to identify the kind of training that would be required.

**Brainstorming:** It is a helpful way to determine training needs especially of a group. The technique consists of involving professionals with different backgrounds, assigning them a task and fixing a time limit. At the end of the time limit, the ideas generated are closely scrutinized to see what kind of training would help them in performing tasks.

**Problem Clinic:** In this case a homogeneous group meets informally to discuss a common problem and develop a solution. So, a group of engineers can get together and discuss a problem say machine maintenance, which is bothering all of them. Their solution would help in identifying the nature of training that would facilitate better machine maintenance.

**Simulation:** Simulation or business games are useful techniques to identify training needs. Some structured exercises are developed and individual or teams are asked to compete with each other on these exercises. The exercises require the possession

or lack of certain skills like problem solving, communication, information processing, and so on. Performance, on these games, highlights areas where training may be useful.

## **BENEFITS OF EMPLOYEE TRAINING**

### **To Organization**

- Leads to improved profitability and /or more positive attitudes towards profit orientation.
- Improves the job knowledge and skills at all levels of the organization
- Helps people identify with organizational goals
- Improves relationship between boss and subordinate
- Creates an appropriate climate for growth, communication
- Helps keep costs down in many areas, e.g. production, personnel, administration, etc.

### **To the Individual**

- Helps the individual in making better decisions and effective problem solving.
- Aids in encouraging and achieving self-development and self-confidence
- Helps a person handle stress, tension, frustration and conflict
- Moves a person towards personal goals while improving interactive skills
- Helps a person develop speaking and listening skills; also writing skills when exercises are required
- Helps eliminate fear in attempting new tasks

## **Methods and Techniques of Training**

A variety of training methods are available and used by training agencies and organizations. The choice of a method or a mix of methods is a function of a number of considerations. A multitude of methods of training is used to train employees. Training methods are categorized into two groups

### **1. On the Job Training**

- Orientation training

- Job-instruction training
- Apprentice training
- Internships and assistantships
- Job rotation
- Coaching

## **2. Off-the –job training: are used away from workplaces.**

- Vestibule
- Lecture
- Special study
- Films
- Television
- Conference or discussion
- Case study
- Role playing
- Simulation
- Programmed instruction
- Sensitivity Training

At this point, it is worthwhile to elaborate on important techniques of training. Let us go through the following for better understanding - lectures, audio-visuals, on-the –job training, programmed instruction, computer-aided instruction, simulation

- The purpose of training is an important consideration in the choice of methodology. Knowledge can be provided by traditional methods of training like lectures, and discussions. Skills and attitudes have to be developed by experiential methods or training like in-basket, T-group etc.
- The natures of contents often determine the nature of methodology. A concept can be clarified through a lecture the operation of machine may best be demonstrated.
- Finally, all organizations have to be concerned with cost factors. Cost considerations have to be taken into account while deciding on methods

of training. However, cost considerations should not override the quality considerations.

Everyone involved in the training should be informed well in advance of the training session(s). It is equally important that the person(s) delivering the training – whether in-job or off-job training - are well versed in what has to be achieved and the most suitable techniques to adopt.

### **Conduct of Training**

A final consideration is where the training and development programme is to be conducted. Actually, the decision comes down to the following choices:

- At the job itself
- On site but not the job-example, in a training room in the company.
- Off the site, such as in a university or college classroom, hotel, a resort, or conferences center.
- Typically, basic skills are taught at the job, and basic grammar skills are taught on the site. Much of interpersonal and conceptual skills are learnt off the site.

### **Implementation of Training Programme**

Once the training programme has been designed, it needs to be implemented. Programme implementation involves action on the following lines:

- Deciding the location and organizing training and other facilities.
- Scheduling the training programme.
- Conducting the programme.
- Monitoring the progress of trainees.

### **Evaluation of Programme**

The last stage in the training and development process is the evaluation of results. Since huge sums of money are spent on training and development, how far the programme has been useful must be judged/determined. Evaluation helps determine the results of the training and development programme. In practice, however, organizations either overlook or lack facilities for evaluation.

### **Purposes and Uses of Evaluation**

The definition of evaluation implies two purposes:

1. Making decisions about improvements to be made in the training program

itself.

2. Making decisions about the value of the training program in terms of whether to continue to conduct the program.

**Specifically, evaluation can be used:**

- To determine whether the training program is accomplishing its assigned objectives and if they were the “right” objectives.
- To Identify the strengths and weaknesses of training activities.
- To determine the cost/Benefit Ratio of the Training Program.
- To Establish a Data base which Organization Leaders can use to Demonstrate the Productivity and Efficiency of their operational Procedures.
- To Establish a Data Base which can assist Organization Managers in Making Decision.

Evaluation of Training After the training program has been completed and the current training record filled in, the performance of trainees can be evaluated and the attention of the training staff drawn towards specific action for improvement. Thus evaluation of training should help to:

- Isolate areas of difficulty and suggest strategies for overcoming them.
- Modify unrealistic training targets in the light of actual group performance

**Evaluation can be four-pronged attempt.**

- Evaluation of reaction
- Evaluation learning
- Evaluation behavior
- Evaluation results

**Methods of Evaluation**

Various methods can be used to collect data on the outcomes of training. Some of these are:

- Questionnaires: Comprehensive questionnaires could be used to obtain opinion reactions, views of trainees. .
- Tests: Standard tests could be used to find out whether trainees have learnt

anything during and after the training.

- Interviews: Interviews could be conducted to find the usefulness of training offered to operatives.
- Studies: Comprehensive studies could be carried out eliciting the opinions and judgments of trainers, superiors and peer groups about the training.
- Human resource factors: Training can also be evaluated on the basis of employee satisfaction, which in turn can be examined on the basis of decrease in employee turnover, absenteeism, accidents, grievances, discharges, dismissals, etc.
- Cost benefit analysis: The costs of training (cost of hiring trainers, tools to learn training centre, wastage, production stoppage, opportunity cost of trainers and trainees) could be compared with its value (in terms of reduced learning time improved learning, superior performance) in order to evaluate a training programme.
- Feedback: After the evaluation, the situation should be examined to identify the probable causes for gaps in performance. The training evaluation information. (about costs, time spent, outcomes, etc.) should be provided to the instructors' trainees and other parties concerned for control, correction and improvement of trainees' activities.

The training evaluator should follow it up sincerely so as to ensure effective implementation of the feedback report at every stage. Please note that no training is complete without its evaluation. That is, the follow up of a training programme is very essential.

### **The process of Evaluation**

**Measuring Change** One way of visualizing a process of evaluation is to set the four levels of evaluation against a backdrop of a training program. Evaluation should start before the training program is designed. The next step is to plan the evaluation, how is the data to be gathered. Who will perform the evaluation? What techniques will be used? When will the evaluation be conducted? The evaluation design needs to be used on the objectives of the program and the criteria to be measured. Once the plan is completed and the training program begins, the data collection phase is initiated.

**Validity and Reliability** Validity is a concept that means the degree to which an evaluation technique or instrument measures what it was intended to measure. Its a measure of accuracy. Reliability is the degree to which evaluation techniques and instruments measure a given characteristic consistently. In order to get a long term view of a training programs effectiveness, an instrument must measure reliably for

each session of the training program.

**Types of Evaluation Techniques and Instruments** The process of Training Evaluation A training programme, like design, development, and manufacture of a product passes through several stages.

1. **Pre-Training Evaluation:** This is prior to the course and should cover an analyses of the expectations of the trainee and his superior officer. The existing level of knowledge and skills are reassessed. It is carried out through discussions, workshops etc.
2. **Input and Delivery Evaluation:** This is done concurrent to the training. It involves long term management programme. It is done individually or in group. Each topic, module is evaluated in terms of its content, presentation, relevance and applicability. Using a questionnaire, soon after the course, invariably on the last day the participants reaction is obtained which generally elicits information about the course inputs and the impressions about the course.
3. **Post Training Evaluation:** The objectives of training is to enhance individual effectiveness which helps in improving organizational performance. Thus the process of post-evaluation must have reference to job improvement plan. This cannot be done when the person is training , he needs to go back to his job and demonstrate his newly acquired knowledge and skills. After a lapse of 6-12 months the results obtained are used for evaluating the applicability of training.

**Alternate approach in post-course evaluations** New approaches to post-course evaluation are being explored. One such recent development is monitoring the progress of the participant through post-course project work. In this approach participants at the time of nomination to the course in consultation with their departmental heads identify a proble, of practical value to the organization. During the program participants discuss, reformulate and identify approaches to its solution in the light of the knowledge and skill inputs in the training sessions. This way they related the learning to work situations and made innovating

## **CONCLUSION:**

The quality of employees and their development through training and education are major factors in determining long-term profitability of any establishments. Training is considered an essential component of further development of professional competence. A properly designed training activity for new recruits and ongoing training for current employees help them adjust to rapidly changing job requirements. The evaluation of a training programme is necessary to understand the outcomes

received after the programme. This exercise not only studies the cost benefit occurring, out of each programme but also helps in future design of the training. The evaluation ensures that the objectives of a training identified during Training Needs Analysis met with and the employees are enriched with the better knowledge, skill and attitudes thus creating a win –win situation for both the employees as well as the organization.

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## **SOCIAL MEDIA AS A TOOL OF COMMUNICATION: CURRENT TRENDS AND FUTURE POSSIBILITIES**

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### **ABSTRACT**

Rapid globalization, with technology transfer & its integration has created a rethinking process in certain key aspects. That includes technology creation, transfer, its cost and benefit analysis, reducing the gap between customer and the enterprise became essential. In other parameter due to information overflow most of the aspects such as repetition of the data, storage its security and so on became complicated. On the other hand social media has gained a momentum. With this social media information dissemination and its validity by various segments is the present trend. Keeping all the above aspects in mind the objective of this exploratory article is provide an insight in to various aspects such 'technology and its digitalization process', 'talk on IoT, tools of communication, addressing cost-benefit analysis and so on.

### **Key words**

1. Social Media: Social media is a form of electronic communication (such as websites for social networking and micro blogging) through which users can create an online communities to share information, ideas, personal messages, and other content (such as videos)
2. IoT: Internet of things (IoT) is the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and network connectivity which enable these objects to connect and exchange data.
3. Cost-benefit analysis: (CBA), sometimes called benefit costs analysis (BCA), is a systematic approach in estimating the strengths and weaknesses of alternatives.

Globalization creates greater opportunities for firms particularly in less industrialized countries to tap into more and larger markets around the world. Thus, businesses located in developing countries have more access to capital flows, technology, human capital, cheaper imports, and larger export markets. Globalization allows businesses in less industrialized countries to become part of international production networks and supply chains that are the main conduits of trade. In relation to the technology transfer and integration the globalization process aspects became very easy i.e. reducing the gap between customer and the enterprise. Nowadays technology integration has had a main motive of providing customer satisfaction by integrating technology vs social media. Although several aspects play a critical role; Customer satisfaction became highest priority and is one of the core objectives any company. Providing 100% satisfaction to the customer has become a traditional objective as neoclassical it is not 100 % it is 100% plus satisfaction. In this context providing 100% + satisfaction requires various key drivers. One of such key drivers is “Social Media”.

Catalyst of transformation includes the people, the process and the technology. Basically this entire process includes three significant aspects.

Input >>> Process >>>> Output

Most of the time our concentration is on output ignoring the first two. This is one of the reasons of the system failure. Therefore, there is need to integrate the three variables of I P O by integrating both the technology with the communication channels. In this integration process social media offers a wide variety of avenues through which we can communicate with people. In fact, social media is known to have been used widely in educational field also. Over the last 30 years the nature of communication has undergone a substantial change and it is still changing. Social media offers a variety of avenues through which we can communicate with people. In fact, social media is known to have been used widely in educational field also. Over the last 30 years the nature of communication has undergone a substantial change and it is still changing. Email has had a profound effect on the way people keep in touch. Communications are shorter and more frequent than when letters were the norm and response time has greatly diminished. Instant messaging has created another method of interaction, one where the length of messages is shorter and the style of the interaction is more conversational.

Broadcast technologies like Twitter transform these short bursts of communication from one-on-one conversations to little news (or trivia) programs: which we can tune in ‘whenever we want an update or have something to say. Online communication

tools also have the potential to increase our awareness of the movements of our professional or social contacts. Twitter, for instance, offers us an update of things people we know happen to be doing at a particular point of time.

Internet is the third place where people connect with friends, build a sense of togetherness. Increasingly, a computer with an Internet connection is the locus of a range of interactions in a variety of media and a gateway to an array of social spaces for work and play. Social networking sites like Facebook and MySpace and virtual environments like Second Life and World of Warcraft have become online meeting spaces where users—members, residents, or players can interact and express themselves. They offer a way to keep in touch with existing communities that users belong to offline, such as social and professional groups. They also make it possible for people who would not normally communicate more than a few times a year to keep in touch—colleagues met at conferences, for instance, or friends met through the online community itself. Sites like YouTube and Flickr represent another forum for online communication that is centered on sharing, preference, and popular culture. Visitors can browse movies (in the case of YouTube) or photos (in the case of Flickr), express personal preferences, add commentary, and upload their own creative work.

YouTube is also a repository of popular culture in the form of newscasts, television shows, movies, or music videos that are of current interest. The kinds of interaction that occur on these sites center around shared interests and include not only verbal commentary, but commentary in the form of original or derivative works based on popular pieces. One of the reasons people prefer such form of media is because of the interactions they can have there, both social and professional. Whether it is as simple as checking back to see what other comments have been added to yours or as involved as attending a workshop or presentation in a virtual world, the nature of the attraction lies in the connections between people that these online spaces afford. Growth of social media has revealed the following advantages and disadvantages. The main advantages of social media are –Sharing of ideas: Social networking sites allow users to share ideas, activities, events and interests within their individual networks. Web based social networking services make it possible to connect people who share interests and activities across political, economic and geographic borders.

Tool of communication: Social networks are increasingly being used by teachers and learners as a communication tool. Teachers create chat rooms, forums and groups to extend classroom discussion to posting assignments, tests and quizzes, to assisting with homework outside of the classroom setting. Learners can also form groups over

the social networking sites and engage in discussion over a variety of topics. Bridges communication gap: Social media bridges the distance among different people. It offers platforms for online users to find others who share the same interests and build virtual communities based on those shared interests. With the availability of social media technologies and services, content sharing and user interaction has become relatively easy and efficient.

Source of information: Content generating and sharing sites serve as sources of information for various topics. Users can search for content, download and use the content available on these sites free of cost.

**Important marketing tool:**

- a) Social media is widely used by most of the firms/organizations to market their products/services in the society. The companies resort to social networking sites to generate opinions on the
- b) Existing and future products that are available in the market. This is an excellent marketing strategy undertaken by most of the companies to draw consumers and elicit public opinion. Such comments or opinions help the organization to redesign their products. Such social networking and user appraisal sites are an important way of promoting products and generating opinions.
- c) Social Media Networking is perfect for customer interaction, customer feedback, and customer support. New business contacts can be obtained for networking purposes.

Important crisis communication tool: When the major forms of public relations tool fail, social media can be used extensively to communicate with the general public regarding any crisis situation that might have gripped the nation or any organization. But it is important to remember that while social media can have a positive impact during natural disasters, it can have a less favorable effect during business crises, in which case, corporate communication teams need to understand how they can use social media to their advantage? Communications landscape has changed thanks to social media, especially during times of crisis. For instance after the earthquake in Japan in March, 2011, millions of people logged on to YouTube and twitter to post messages and videos and also to check out updates about the devastating natural disaster.

Low Costs/ Cost effective : It is cheaper to use online social networking for both personal and business use because most of it is usually free. Unlike in other forms of media like electronic or print, one has to pay a certain amount of money for a news

item to get published. A person can scout out potential customers and target markets with just a few clicks and keystrokes.

Less time consuming: Social media is an effective time management medium of communication both for business as well as for academic purposes. One can post a message or browse for any information at the click of a button. This is an added advantage in comparison to print and other electronic media like television and radio, though one can get the updates in television, yet social media channels provide impromptu information and connection with the people that matters most.

However, in spite of being an important tool of communication, social media has its own set of limitations which are given below

Intrusion into privacy: Social Networking is a part of everyday life and for many of us a primary way in which we keep in touch with friends and family. Privacy is a huge problem in such networks. This becomes a serious issue when the users are targeted on the basis of their location, age etc. leading to kidnapping and murder. Very often it has been seen that most of the people who have opened accounts in social networking sites does not reveal their true identity leading to fake personal information and misleading people. The younger lot are at a serious danger of being misled by such people. Problems of harassment, cyber stalking and online scams can frequently be seen in day to day affairs.

Breakdown in familial ties: When people get addicted to social networking sites, there is a breakdown in the family ties. This is because the person gets hooked on the sites for communication with friends. Youngsters specially feel free to discuss their problems and share stories with their peer rather their parents or close relatives. So, in the long run, the close bond with the immediate family breaks down.

Reduction in worker productivity: Frequent usage of social media can have an influence on worker productivity. Employees may waste valuable time using Social Media Networking.

At the end and to conclude the collaboration through online mode becomes easy if it is facilitated by social media technologies. Social media can be effective for building social authority; individuals or organizations can establish themselves as experts in their fields, and then they can begin to influence these fields. This provides a greater customer satisfaction at 360 degrees level.

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# **SERVICE QUALITY ASSESSMENT STUDY OF LIFE INSURANCE- WITH REFERENCE TO HDFC LIFE**

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Security is the term that insurance can be best attributed to. The statement clearly indicates the significance of insurance in present day human life. Every activity in human life like education, parenting and family budgeting to the uncertain economic landscape - are complex enough on their own. Efficient planning for uncertainties is most essential resolution to be engaged by modern-day man. It's essential to talk about the significance of being prepared for "the most unpleasant," however it is even healthier to be prepared for the reason that once there is an unanticipated event, it is not possible to undo a lack of preparation. Present paper explains the services quality with regard to insurance along with customer's perception and satisfaction about dimensions of service quality. This work is useful for getting an insight into the consumer psyche in order to formulate appropriate marketing strategies for rural masses. The present study observed that the professionals have more positive perception towards the financial credentials of the company and respondents were satisfied with claim admissibility and claim settlement.

Keywords: Dimensions of Service Quality, Perception, Service Gap and Attitude

## **INTRODUCTION**

The insurance industry of India consists of 57 insurance companies of which 24 are in life insurance business and 33 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims.

## **MARKET SIZE**

Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes. Gross premiums

written in India reached Rs 5.53 trillion (US\$ 94.48 billion) in FY18, with Rs 4.58 trillion (US\$ 71.1 billion) from life insurance and Rs 1.51 trillion (US\$ 23.38 billion) from non-life insurance. Overall insurance penetration (premiums as % of GDP) in India reached 3.69 per cent in 2017 from 2.71 per cent in 2001.

In FY19 (up to October 2018), premium from new life insurance business increased 3.66 per cent year-on-year to Rs 1.09 trillion (US\$ 15.46 billion). In FY19 (up to October 2018), gross direct premiums of non-life insurers reached Rs 962.05 billion (US\$ 13.71 billion), showing a year-on-year growth rate of 12.40 per cent.

HDFC Life Insurance offers products that fulfill savings and protection needs of small investors. The aim is to emerge as a transnational Life Insurer of global scale and standard. The product differentiation of life insurance industry is offering other industries products as add on feature to their own products. Thereby, the customer is getting comprehensive insurance services.

### **STATEMENT OF THE PROBLEM**

In the present turbulent competitive environment number of players offering customized products, this scenario gives more options for the customers. Expectations of the customers are raised specially in terms of intangible products like insurance. The latest slogan of the companies is Unique Customer Perception (UCP) more attractive than Unique Selling Proposition (USP). According to Peter.F.Drucker, "Quality in a service or product is not what you put into it. It is what the client or customer gets out of it". Hence, establishments are trying to evaluate perception of the customer about the quality of service being provided by the organization. Thereby, the customer is getting comprehensive financial services. Thus, there is need to assess service quality of not only their industry but also have to identify service quality being offered by HDFC Life Insurance.

### **OBJECTIVES OF THE STUDY**

1. To study the service offerings of HDFC life insurance through policyholders' perception and their satisfaction
2. To determine the service dimensions affecting customers' perceived service quality.
3. To offer suggestions for improvement of service standards

### **RESEARCH METHODOLOGY**

A descriptive research design was adopted in order to conduct the study and a structured questionnaire was developed and used for data collection from 150 respondents in the under mentioned areas of Hyderabad and Secunderabad City. Data



analysis starts with descriptive statistics to understand about frequencies, means, standard deviations of all the variables used in the study. Descriptive statistics was followed up with cross tabulation analysis to understand the relationship between demographic variables of the respondents and other variables used in the study.

Begumpet	Kukatpally	Dilshuk-nagar	LB Nagar	Himayath Nagar	Hubsiguda	Malakpet
20	30	14	14	19	32	21

## DATA ANALYSIS:

### 1. Level of Perception and Level of Satisfaction

Calculation of Perception Score: Mean =  $\sum fx / n = 8835/150 = 58.9$

Standard Deviation ( $\sigma$ ) = Sqrt of  $\sum f(x-x)^2 / n = 11.78$

Classification of Level of perception:

High level of perception is  $X + \sigma = 58.9 + 11.78 = 70.68$

Low Level Perception =  $X - \sigma = 58.9 - 11.78 = 47.12$

Medium Level Perception = Scores between 70.68 and 47.12

	High level of perception	Medium Level of Perception	Low Level of Perception	Total
Score	2621	5613	873	9107
No. of Respondents	35	94	21	150
Percentage	23.33%	62.67%	14%	100%

Calculation of Satisfaction Score

Mean =  $\sum fx / n = 2645/150 = 17.63$

Standard deviation ( $\sigma$ ) = Sqrt of  $\sum f(x-x)^2 / n = 6.16$

Classification of Level of Satisfaction

High Level Satisfaction = Mean +  $\sigma = 17.63 + 6.16 = 23.79$

Low Level Satisfaction = Mean -  $\sigma = 17.63 - 6.16 = 11.47$

Medium Level Satisfaction = Scores between 23.79 and 11.47

	High level of Satisfaction	Medium Level of Satisfaction	Low Level of Satisfaction	Total
Score	891	1626	207	2724
No. of Respondents	33	94	23	150
Percentage	22%	62.67%	15.33%	100%

## 2. Relationship between Age and Level of Perception and Level of Satisfaction

	Level of Perception			Level of Satisfaction		
Age	HLP	MLP	LLP	HLS	MLS	LLS
Less than 30	6	5	1	5	5	2
30-40	17	32	9	7	48	3
40-50	3	18	6	9	13	5
50-60	5	32	3	12	17	11
60-70	4	7	2	0	11	2

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 14.99$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 27.35$

Degrees of freedom =  $(r-1)(c-1) = 4 \times 2 = 8$

The table value of  $\chi^2$  eight degrees of freedom at 5% level of significance is 15.507.

## 3. Relationship between Gender and Level of Perception and Level of Satisfaction

	Level of Perception	Level of Satisfaction				
GENDER	HLP	MLP	LLP	HLS	MLS	LLS
MALE	19	42	6	18	39	10
FEMALE	14	52	15	15	55	13

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 4.41$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 1.7$

Degrees of freedom =  $(r-1)(c-1) = 1 \times 2 = 2$

The table value of  $\chi^2$  two degrees of freedom at 5 percent level of significance is 5.991.

#### 4. Relationship between Marital Status and Level of Perception and Level of Satisfaction

	Level of Perception		Level of Satisfaction			
status	HLP	MLP	LLP	HLS	MLS	LLS
Married	30	79	18	19	86	22
Unmarried	5	15	3	14	8	1

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 0.08$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 24.16$

Degrees of freedom =  $(r-1)(c-1) = 1 \times 2 = 2$

The table value of  $\chi^2$  two degrees of freedom at 5 percent level of significance is 5.991.

#### 5. Relationship between Educational Qualification and Level of Perception and Level of Satisfaction

	Level of Perception		Level of Satisfaction			
Educational Qualification	HLP	MLP	LLP	HLS	MLS	LLS
PG	6	10	2	9	8	1
Graduation	7	21	3	3	22	6
SSC	13	42	9	12	47	5
Primary Education	9	21	7	9	17	11

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 2.77$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 21.89$

Degrees of freedom =  $(r-1)(c-1) = 3 \times 2 = 6$

The table value of  $\chi^2$  six degrees of freedom at 5% level of significance is 12.592.

#### 6. Relationship between Occupational Status and Level of Perception and Level of Satisfaction

	Level of Perception		Level of Satisfaction		
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Occupation	HLP	MLP	LLP	HLS	MLS	LLS
Salaried	19	23	1	5	21	17
Self employment	4	59	19	13	66	3
Retirement	10	6	0	8	6	2
Others	2	6	1	7	1	1
Total	35	94	21	33	94	23

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 45.26$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 56.75$

Degrees of freedom =  $(r-1)(c-1) = 3 \times 2 = 6$

The table value of  $\chi^2$  six degrees of freedom at 5 percent level of significance is 12.592.

**7. Relationship between Annual Income and Level of Perception and Level of Satisfaction**

	Level of Perception	Level of Satisfaction				
Annual Income( In lacks)	HLP	MLP	LLP	HLS	MLS	LLS
Less than 2	6	48	13	12	41	14
2-4	17	28	7	7	43	2
4-6	9	17	1	11	9	7
More than 6	3	1	0	3	1	0
Total	35	94	21	33	94	23

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 20.05$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 28.03$

Degrees of freedom =  $(r-1)(c-1) = 3 \times 2 = 6$

The table value of  $\chi^2$  six degrees of freedom at 5 percent level of significance is 12.592.

**8. Relationship between Type of Policy and Level of Perception and Level of Satisfaction**

	Level of Perception	Level of Satisfaction				
Type of policy	HLP	MLP	LLP	HLS	MLS	LLS
Investment	9	49	12	14	45	11
Pension	8	32	7	6	34	7
Childcare	17	11	2	13	14	3
Others	1	2	0	0	1	2

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 24.67$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 16.91$

Degrees of freedom =  $(r-1)(c-1) = 3 \times 2 = 6$

The table value of  $\chi^2$  six degrees of freedom at 5 percent level of significance is 12.592.

### 9. Relationship between Period of Premium Paid and Level of Perception and Level of Satisfaction

	Level of Perception	Level of Satisfaction				
Mode	HLP	MLP	LLP	HLS	MLS	LLS
Single	20	12	4	19	13	4
Yearly	12	55	11	3	71	4
Half yearly	3	14	2	6	7	6
Quarterly	0	13	4	5	3	9

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 30.64$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 74.65$

Degrees of freedom =  $(r-1)(c-1) = 3 \times 2 = 6$

The table value of  $\chi^2$  six degrees of freedom at 5 percent level of significance is 12.592.

**10. Relationship between Premium Amount Paid and Level of Perception and Level of Satisfaction of the Respondents**

	Level of Perception	Level of Satisfaction			
Premium amount (in lakhs)	HLP	MLP	HLS	MLS	LLS
Less than .5	12	56	6	61	12
.5-1	10	34	16	28	7
1-1.5	8	3	7	4	2
1.5-2	4	1	3	1	2
More than 2	1	0	1	0	0

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 25.11$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 29.81$

Degrees of freedom =  $(r-1)(c-1) = 4 \times 2 = 8$

The table value of  $\chi^2$  eight degrees of freedom at 5 percent level of significance is 15.507.

**11. Relationship between Policy Term and Level of Perception and Level of Satisfaction of the Respondents**

	Level of Perception		Level of Satisfaction			
Term (in years)	HLP	MLP	LLP	HLS	MLS	LLS
5-10	16	38	9	14	44	5
10-15	18	53	7	17	48	13
15-20	1	2	3	2	1	3
20-25	0	1	2	0	1	2

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 15.48$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 16.18$

Degrees of freedom =  $(r-1)(c-1) = 3 \times 2 = 6$

The table value of  $\chi^2$  six degrees of freedom at 5 percent level of significance is 12.592.

## 12. Relationship between Fund option and Level of Perception and Level of Satisfaction of the Respondents

Fund options	Level of Perception	Level of Satisfaction				
	HLP	MLP	LLP	HLS	MLS	LLS
Corporate bond	2	13	3	0	7	11
Equity fund	19	36	9	2	60	2
Energy fund	3	14	2	1	18	0
Infrastructure fund	2	15	5	2	13	7
Mid-cap fund	5	10	1	11	3	2
Pure equity fund	2	0	0	2	0	0
Growth fund	2	6	1	5	3	1

Calculated value of  $\chi^2$  for Level of Perception =  $\sum ((o-e)^2/e) = 15.01$

Calculated value of  $\chi^2$  for Level of Satisfaction =  $\sum ((o-e)^2/e) = 116.53$

Degrees of freedom =  $(r-1)(c-1) = 6 \times 2 = 12$

The table value of  $\chi^2$  twelve degrees of freedom at 5 percent level of significance is 21.06.

## FINDINGS OF THE STUDY

- 62.67 percent of the respondents expressed moderate perception and satisfaction
- Age, gender and education of the respondent are not influencing the people perception.
- Married and unmarried both of them wanted to secure their future by taking the policy.
- Occupation of the respondent is significantly influencing the perception level towards HDFC Life Insurance Policies.
- Income levels of the respondents differentiating the perception towards insurance policies.
- Period of premium paid has decided by the policyholders based on the continuous disposable income.
- Majority of the respondents from middle level income group are paying yearly premium.

8. High premium paying policyholders have high level perception towards the financial credential of the company.
9. Policy term which decides the perception compared with their financial consequences Perception is not based on the fund option.
10. Unmarried people mostly want to take high risk while constructing of their portfolio compared with married once.
11. Highly educated people may compare the alternative choice while selecting investment options
12. Based on the occupational category they have different satisfaction level towards HDFC Life Insurance Policies.
13. Satisfaction may differ while selecting their fund option based in the risk exposure taken by the policyholders.

## **SUGGESTIONS**

1. HDFC Life Insurance Company Limited has to take initiatives to convert satisfied customers into highly satisfied customers. These initiatives shall be on.
2. Usage of modern technology for better customer service. All the operating office must be installed with Touch screen facility for accessing information instantly while entering the contract number or to fill the personal details.
3. Improving the physical appearance of the policy document. Instead of giving loose leaves, must be provide all the documents in a booklet form.
4. Improving regular service activities like remainder of premium due, premium collection, change of address, issue of new policy documents. In addition to that appoint a person for collecting renewals in the convenient time of the policyholders.
5. Improving the behavior of employees towards the customer centric approach for providing better service. It may starts from the procurement of the policies to settlement of those insurance policies.
6. The company can provide self-service facilities like customer portal which is already been implemented in the form of customer life line option. But it must be informed to the policyholders properly. Customer call centers number and toll free numbers must be enabled.
7. The company must provide the necessary information and guidelines on future service requirements like revival, surrender, loans, and change of nomination, assignment, foreclosure and claim forms.



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# **PERFORMANCE IMPROVEMENT PLAN WITH RESPECT TO TEACHING PROFESSION IN SELECT MBA COLLEGES IN HYDERABAD**

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## **ABSTRACT:**

In any stage right from schooling to post graduation almost majority of the students' dream career will be something else but not teaching. Very few students dream to choose teaching as their dream profession. In post graduate colleges, employees who are working in teaching field, start their career with no training at all. Initially for few months, the teaching employees suffer to overcome various kinds of problems with respect to teaching methodologies, grip on subject, comprehensive approach of the subject, stage fear, delivery of lecture, confidence.

**Key words:** non-academic activities, teaching, mentoring, feedback

## **INTRODUCTION:**

Definition-A performance improvement plan (PIP), also known as a performance action plan, is defined as a tool to give an employee with performance deficiencies the opportunity to succeed.

It may be used to address failures to meet specific job goals or to ameliorate behaviour-related concerns. In general, teaching profession is considered as one of the easiest professions and majority of them take it for granted. There are many researches carried on different professions but very few studies are done on teaching profession. Hence teaching profession is selected for the present study.

## **REVIEW OF LITERATURE:**

Angel Barajas, Elena Shakina and Carlos Fernández-Jardón (2017), in their research found that human and relational capital would improve the performance of the after-crisis correction.

Dubois, David (1993) in their study established that there should be a systematic approach to improve the performance of individual worker. They also provided different frameworks for developing different concepts and implementing exemplary

training practices. The study also suggested that pitfalls are to be avoided the outcomes are to be examined. For this evaluation to be successful the organizations should implement a step by step process like analysing the need, assessing and planning in a competency based format, methods for developing competency models, creating a competency based curriculum, designing and developing competency based learning interventions, tracking the performance.

### **OBJECTIVES:**

1. To find if the faculty are facing any academic related problems in teaching methodology
2. To study about the health issues arising out of profession

### **Conceptual Framework:**

Teaching industry - It is said that teaching is a profession opted out of chances but not by choice. For few very serious career aspirants, teaching is a profession in which they can get more leisure to prepare for other competitive exams. To pursue their dream career, teaching profession will be like a ladder till they achieve their dream career. For women, generally teaching profession is more beneficial with respect to time, relative work stress. Because when compared to work timings of other professions, timings of teaching profession are more comfortable to strike a balance among professional, personal and family life. Before their children and husband come home women employees will be at home doing household work. This is one of the major reason for women to opt teaching profession.

### **RESEARCH METHODOLOGY:**

Sampling design – For the present study Purposive Sampling was used.

Sample size – The sample size for the present study was 100.

Survey instrument – A questionnaire was developed and administered to the respondents through personal interviews, email and hard copy.

Types of Professions - There are many types of professions like bureaucrats, medical field, engineers, bankers, investigation, postal department, insurance, police department, agriculture, animal husbandry, media, managers, software, hardware, teaching, entertainment, sports and many more to list.

### **Why teaching profession for the present study?**

Comprehensive subject knowledge - In the initial years, student who just passed out of her or his graduate or post graduate course may not have comprehensive knowledge on all the subjects because studying from exam point of view is entirely

different from teaching and explaining the subject to a group of students.

Stage fear - In the initial years, few teachers might have stage fear, lack of confidence

Ability to clarify doubts – In spite of 2 or 3 years of career and good academic track record, few teachers may not be able to clarify doubts which a student asks. This, in majority of the cases, happens because of employees not updating themselves.

Delivery of lecture - To deliver a lecture effectively for 50 minutes, it requires at least 2 hours of preparation. But a lecturer for post-graduation courses rarely gets 2 hours of preparation for each class. Because the subjects demand very high level of knowledge with variety of examples.

Preparation of notes - Appropriate time should be provided for preparing notes as it requires referring at least 3 to 4 good text books.

Continuous standing - It is a most neglected, unknown, inevitable direct physical strain that a teacher faces with no option left throughout his / her career which leads to some health problems like leg pains, back pains.

Consecutive sessions - Continuous classes are a big trouble teaching profession, which makes a teacher rest less.

Different subjects apart from specialization - This is another major problem that employees face. In management colleges, except accounts subjects, all the other subjects are to be taught by everybody irrespective of their specializations. This is a very big problem from employees point of view because in management there are very few specializations like human resources, marketing, finance, information technology but whatever might be the specialization, employees are supposed to teach Operations Management, Law, Statistics, Economics, Operations Research, E-Commerce, E-Business. Only experienced faculty will be able to teach all the subjects effectively. If these subjects are given to freshers then it might take few years for the faculty to become expertise in those subjects.

Less time for extra curricular activities - In this profession, in general, very few times employees will get some time to do some extracurricular activities like attending seminars, workshops, conferences.

Health aspects - Pressure on the vocal cords is one of the highly ignored problem.

If the employee starts career in teaching and works as a faculty for 30 years then the employee will face health problem related to vocal cords like developing polyps. Pressure on vocal cords which was totally ignored - It is the most neglected aspect of the employees' health in the teaching profession.

### Data Analysis and Interpretations

For the present study, a sample of 100 employees from different MBA colleges were selected.

Table No.1 Qualification

Qualification	MBA	PhD
	78	23

From the above table it is found that there are 23 employees who are PhD holders and the remaining 78 members are only MBA holders.

Table No.2 Experienced or fresher

Experience	Fresher	Experienced
	38	62

From the above table it was found that there are 62 employees who are experienced and only 38 respondents are freshers to the profession.

Table No.3 Number of years of experience

Qualification	0 – 5 years	6 – 10 years	11 – 15 years	16 – 20 years	21 – 25 years
	32	28	19	9	12

From the above table it is evident that 32 percent of the respondents have less than 5 years of experience; 28 percent of the respondents are having 6 to 10 years of experience; 19 percent of the respondents are having 11 to 15 years; 9 percent of the respondents having 16 to 20 years of experience and 12 percent of the respondents are having 20 to 25 years of experience in teaching profession.

Table No.4 Problems faced due to profession

Problems faced due to profession	Yes	No
	72	28

From the above table it is found that 72 respondents faced some or the other kind of problem but only 28 respondents face very negligible problems.

Table No.5 Kind of problems were faced ?

Problems faced due to profession	Stage fear	Grip on Subject	Physical problems
	27	36	37

From the above table it is found that 27 percent of the employees faced stage fear; 36 employees faced the problem of lack of perfect grip on their subject; 37 respondents faced physical problems.

Table No.6 Subjects of choice

Subjects of choice	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	6	7	18	26	43

When asked about the freedom in choosing the subject only 6 percent of the respondents strongly agreed; 7 percent of the agreed and 18 percent of the respondents stayed neutral; 26 percent of them disagreed and 43 percent of the respondents strongly disagreed.

Table No.7 Teaching specialized subjects

Specialized subjects	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	27	26	13	22	12

When asked about teaching the specialized subjects in which the respondents are specialized in only 7 percent of them strongly agreed that they are teaching the subjects in which they are specialized in; 6 percent of the respondents agreed and 13 percent of the respondents stayed neutral on the same. 22 percent of the employees disagreed and surprisingly 52 percent of the employees strongly disagreed.

Table No.8 Time in college to prepare

Time in college to prepare	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	13	9	32	28	18

When asked about the availability of time to prepare for lecture in college timings only 13 percent of the respondents strongly agreed; 9 percent of the respondents agreed and 32 percent of the respondents stayed neutral. 28 percent of the respondents

agreed and 18 percent of the respondents strongly agreed that they get time to prepare for lecture during college hours.

Table No.9 Work load

Work load	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	36	28	14	16	6

When asked about the number of sessions allotted to them and work load per week 36 percent of the respondents strongly agreed that they are given heavy work load; 28 percent of them agreed and 14 percent of the respondents stayed neutral; 16 percent of the respondents disagreed that their work load is heavy and only 6 percent of the respondents strongly disagreed.

Table No.10 Allowances to seminars and workshops

Allowances	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	8	12	22	34	24

When asked about if their college provides allowances and adequate leaves only 8 percent of the respondents strongly agreed and 12 percent of the respondents agreed that their institutions provide adequate leaves and allowances for attending seminars and workshops. 22 percent of the respondents stayed neutral; 34 percent of the respondents disagreed and 42 percent of the respondents strongly disagreed.

## FINDINGS

1. Based on the data, it was found that not even half of the respondents are PhD holders.
2. It is also found that majority of the respondents are having 0-5 years of experience.
3. The study also found that more than half of the respondents faced different problems in their career like stage fear, grip on subject, allergic towards dust, shoulders pains, leg pains, varicose veins, pressure on vocal cords.
4. When asked about choosing the subjects to teach majority of them strongly disagreed that there is no chance to choose the subjects they like but they were compelled to teach totally different subjects in quite a good number of cases. Though it an opportunity to learn new subject, it also requires good time to prepare and deliver a lecture effectively.

5. When asked about teaching the specialized subjects more than half of the respondents strongly disagreed, which shows that the respondents were not given the subjects of their specialization to teach.
6. Based on the results of the study, it is apparent that non-academic activities are also occupying good quantum of time during the college timings.
7. In response to the question that if the employees are getting adequate time to prepare for lecture in college timings approximately 40 percent of the respondents said that they are not getting enough time to prepare for lectures during college timings.
8. When asked about the number of classes allotted per week, majority of them agreed that the work load allotted was very heavy and only few said that their work load is normal.
9. It is also found that many respondents were not provided with adequate leaves and financial allowances to attend seminars and workshops conducted by other colleges.
10. Generally it is said that chalk and talk is the best method of teaching. But instead of using chalk piece majority of the respondents are more interested to have white board and marker. This is because the chalk dust which the faculty uses in class gives more dust which the faculty inhales while teaching. The dust falls on face and head which leads to different kinds of allergies to faculty.

## **SUGGESTIONS**

Globally teaching has evolved much better than it was in ancient days with the help of technology. Yet there is much more to improve in every small detail.

1. Employees gain experience only if they work in some organization. But focus is to be more on fresher employees to make them feel comfortable.
2. Ironically there are no training or mentoring sessions offered to employees in teaching profession unlike in any other profession. If a separate training session cannot be conducted, then at least mentoring activity is to be conducted for employees who are facing problems.
3. It is also found that in quite a good number of colleges non-academic activities are also assigned to teaching staff which is consuming productive time. Hence colleges should employ appropriate staff for doing such non-activities.



## **CONCLUSIONS**

1. Though there are good teaching aids in all the colleges, yet modern teaching aids like power point presentations, white board and marker, Overhead Projectors are lacking in few institutions.
2. Proper methods to improve the performance of the faculty should be implemented to bridge the gap between the actual performance and the expected performance.

## **LIMITATIONS**

1. The present study is restricted only to the city Hyderabad
2. The above given findings and suggestions are also based on the feedback given by the respondents of the study.

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## **A STUDY ON TRENDS IN FOREIGN DIRECT INVESTMENT IN INDIAN RETAIL SECTOR**

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### **ABSTRACT:**

Foreign investment policy 1991 was enacted in India under Foreign Exchange Management Act, driven by the then finance minister Manmohan Singh to reduce the dependence on foreign debt and encouraging the entry of foreign investment. In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership. Indian government continues the hold on retail reforms for single and multi-brand stores. This paper is aimed to present Foreign Direct Investment trends in Indian retail sector. The retail market was reached to Rs.47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 percent. It is observed that the retail sector in India is emerging as one of the largest sectors of the economy. By the end of 2016, the total market size is around US\$ 600 billion, thereby registering a CAGR of 7.45 per cent since 2000. The retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 9.7 percent between 2000 and 2020. Keywords: Foreign Directive Investment, Single Brand Retailing, Multi-brand Retailing.

### **INTRODUCTION**

Foreign investment policy 1991 was enacted in India under Foreign Exchange Management Act (FEMA), driven by the then finance minister Manmohan Singh to reduce the dependence on foreign debt and encouraging the entry of foreign investment. Since the economic liberalization of 1991, there has been a surge in the FDI and portfolio investment in India. FDI is “an investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor”. It can be made in the forms of wholly owned subsidiary company, joint ventures, acquisitions or foreign collaborations such as a merger, amalgamation of an Indian company, franchising, contract, manufacturing etc.

A developing country is characterized by low saving, low capital formation, and low investment. They also suffer from lack of advanced technology, technical know-how, spare part etc. Such a country obviously looks for an external source to fill its gap and need to accelerate the pace of their economic growth. It plays an important role in bridging the gap between the available resources and the required resources. India is blessed with the exemplary characteristics associated with any booming economy i.e., a huge and productive commitment to skilled manpower and excellent earnings growth providing attractive opportunities for international investors to diversify portfolio risks. The advantages of India as an investment destination rest upon strong fundamentals, which include a large and growing market; world-class scientific, technical and managerial manpower; cost effective and highly skilled labors; abundant natural resources; a large English-speaking population; the independent judiciary, etc.

Retailing in India is one of the pillars of its economy and accounts for 14 to 15% of its GDP. In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Wal-Mart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership. Indian government continues the hold on retail reforms for multi-brand stores. Hence, this paper is aimed to present Foreign Direct Investment trends in Indian retail sector.

### **OBJECTIVES OF THE STUDY:**

The present paper is aimed to present and discuss the following objectives:

- 1) To present the current and future trends in Indian retail sector.
- 2) To discuss the foreign direct investment trends in India retail sector.

### **TRENDS IN INDIAN RETAIL SECTOR:**

The retail sector in India can be divided into two parts. One is organized and other is an unorganized sector. Organized sector retailers have licensed retailers, those who have registered for sales tax, income tax etc. They are generally privately owned large businesses like Tanishq, Croma etc., on the other hand, unorganized retail stores are like Kirana store, departmental store etc., which neither registered with any tax authorities nor with any other Government department. The data related to such stores is not available with the government. Following are the three different forms through which organized retail trade in India is carried out. Forms of organized retail trade in India are presented as follows:

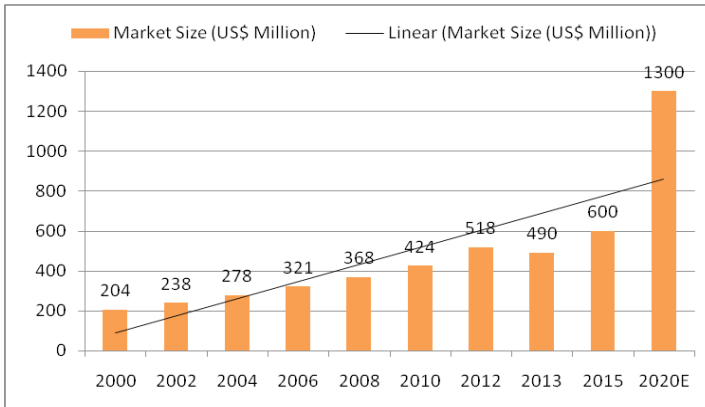
Table-1: Forms of Organized Retail Trade in India

Mono / Exclusive / Single	Brand Retail Shops	Multi-brand Retail Shops Convergence Retail Outlets
Exclusive showrooms either owned or franchised out by the manufacturer. A complete range of all the products manufactured by the said manufacturer under One brand name.	In these kinds of stores, almost all brands of a single product are available. The customer has a very wide choice.	These kinds of outlets have almost all products which a consumer may need.
Focus is on brand name.	Focus is on nature of the product.	Focus is on diverse consumer needs.
Nike showroom etc.	Shoppers Stop, Croma.	Big bazaar etc.
Source: caclubindia.com		

The Indian Retail sector has come of age and has gone through a major transformation over the last decade with a noticeable shift towards organized retailing. A T Kearney, a US Based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets. The retail market is expected to reach a whopping Rs.47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 percent, accordingly to the ‘Yes Bank - Assocham’ study. The retail market, (including organized and unorganized retail), was at Rs. 23 lakh crore in 2011-12. According to the study, organized retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 percent and attain 10.2 percent share of the total retail sector by 2016-17. The present trends in Indian retail sector are explained as follows:

Growth in Indian Retail Sector: Retail Industry of India has seen some groundbreaking changes and development over the last two decades. As industry experts review the trends and developments, the fundamental strength of the India consumption story continues to surface. Rising income, urbanization, and additional shifts validate this optimistic outlook, promising a certainty of growth in the future. The present and expected growth in Indian retail sector is presented in the figure-1.

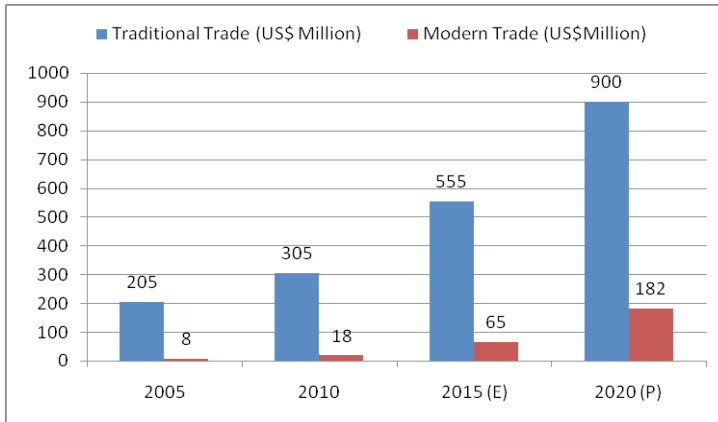
Figure-1: Growth in Indian Retail Sector



From the figure-1, it is observed that the retail sector in India is emerging as one of the largest sectors of the economy. The total market size is around US\$ 600 billion in the year 2015, thereby registering a CAGR of 7.45 per cent since 2000. The retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 9.7 percent between 2000 and 2020. The Indian retail market is in its nascent stage; unorganized players accounted for 92 percent of the market during 2015. There are over 15 million mom-and-pop stores. Between financial years 2009-13, organized retail in India witnessed a CAGR of 19-20 percent. Organized retail is expected to account for 24 percent of the overall retail market by 2020. The proportion of traditional and modern trade is presented in the figure-2.

As per the Figure-2, the Indian retail Industry is expected to double to \$1 trillion by 2020 from \$600 billion as of 2015 and the retail market is expected to grow at an aggressive rate of 12%. According to this analysis, growth is fueled by the following four factors. They are (i) Income Growth: Three times increase in average household income from \$6,393 in 2010 to \$18,448 in 2020. (ii) Urbanization: 40 percent population to live in urban cities by 2020, up from 31 percent in 2010. (iii) Nuclearization: Over 200 million households to be nuclear by 2020—with 25-50 percent higher consumption per capita spend. (iv) Attitudinal Shifts: 75 percent of the population by 2020 will belong to Generation I1 with markedly higher consumption levels. The interesting factor to note here is that modern trade is expected to grow 3 times to \$180 billion in 2020 from \$60 billion in 2015, thus validating the much-hyped migration to the super mall culture.

Figure-2: Proportion of Traditional and Modern Trade



The journey of Organized Retailing: As mentioned in table-2, India has started emerging as a new market for all the global players because of changing demand and growing economy. The economy is one of the biggest magnetic factors which are pilling every major retail player outside this economy to enter and get the biggest possible bite of the cake as the cake called Indian market is the most tempting one today. The booming economy itself is not just an invitation but also is creating a necessity for the country to get some major players in the country to serve the demand.

Table-2: Journey of Organized Retailing in India

Sl. No.	Year	Growth	Function
1	2000	First Phase	Entry, Growth, Expansion, Top line focus.
2	2005	Second Phase	Range, Portfolio, Former options.
3	2008	Third Phase	End to end supply chain management, Backend operation, Technology, Process.
4	2011	Fourth Phase	M&A, Shakeout, Consolidation, High investment.

The Contribution of Organized Retail Business to Indian Economy: Table-3 shows the contribution of organized retail outlets to Indian economy from 2004. It also gives an idea about the future position of various formats in the economy and their contribution to the Indian economy. As per the table it is clear that the food grocery and general merchandise contributed Rs.2,950 crore and occupied about 10% of the total space

in the economy, Cloth Textile and Fashion contributed Rs.10,900 crore and occupied about 39% of the total space in the economy, Durables and Mobiles Rs.3,340 crore and occupied about 12% of the total space in the economy, Food Service Rs.2,000 crore and occupied about 7% of the total space in the economy, Home Appliances Rs.2,500 crore, Jewellery and Watches Rs.1,960 crore and occupied about 7% of the total space in the economy, Footwear Rs.2,500 crore and occupied about 9% of the total space in the economy, Books Music Toys and Gifts Rs.800 crore and occupied about 3% of the total space in the economy, and others also contributed Rs.1,350 crore and occupied about 5% of the total space in the economy in 2004.

Table-3: Contribution of Organized Retail Business to Indian Economy

Sl. No.	Areas	2004		2015	
		Rs. (Cr.)	%	Rs. (Cr.)	%
01	Food and Grocery and General Merchants	2,950	10	1,02,546	42
02	Cloth Textiles and Fashion	10,900	39	40,605	16
03	Durables and Mobiles	3,340	12	28,891	12
04	Food Service	2,000	07	24,351	10
05	Home Appliances	2,500	08	16,346	07
06	Jewelry and Watches	1960	07	8770	03
07	Footwear	2,500	09	6,508	03
08	Books Music Toys and Gifts	800	03	3,722	01
09	Others	1,350	05	14,692	06
	Total	28,000	100	2,46,431	100

Source: A Report by Ernst and Young for IBEF, [www.ibef.org](http://www.ibef.org)

But in the year 2015 Food Grocery and General Merchandise contributed Rs.1,02,546 crore and occupy about 42% of the total space in the economy, Cloth Textile and Fashion contributed Rs.40,605 crore and occupy about 16% of the total space in the economy, Durables and Mobiles contributed Rs.28,891 crore and occupy about 12% of the total space in the economy, Food Service contributed Rs.24,351 crore and occupy about 10% of the total space in the economy, Home Appliances Rs.16,346 crore and occupy 7% of the total economy, Jewellery and Watches contributed Rs.8,770 crore and occupy about 3% of the total space in the economy, Footwear contributed Rs.6,508 crore and occupy about 3% of the total space in the economy, Books Music Toys and Gifts contributed Rs.3,722 crore and occupied about 1% of the total space in the economy, and others also contributed Rs.14692 crore and occupy about 6% of the total space in the economy. Further, from the table, it is clearly stated

that the total earnings from organized retail outlets which are Rs.28,000 crore were increased to Rs.2,46,434 crore with maximum contribution being from Food Grocery and General Merchandise.

### **FUTURE TRENDS IN INDIAN RETAILING:**

Retailing should follow the following trends that will redefine the retail business environment in the future:

**The Downsizing of Everything:** Expect everything except mega-store chains and formats to downsize during the decade—products/packaging, retail chains, store footprints, living spaces. The sustainability trend will drive the downsizing of products, packaging, resource consumption and waste. More people will look for smaller, more personalized spaces—both to live and to shop. Accessibility to almost infinite choices (at least online) and the growing ability for consumers to remix, adapt or create what they cannot find will splinter much of mainstream retailing into smaller niche offers—down to units of one.

**The Globalization of Retailing:** For many big retailers, the next growth phase will be about segmentation and localization. Big retailers of the future will get there by operating multiple formats and multiple concepts, targeted to specific customer segments, in specific local markets, for specific end-use needs and occasions, while operating in specific shopping modes. Retailers will need to combine global market savvy and sourcing with local market delivery and know-how.

**Breaking the 80/20 Rule:** The future of retailing is selling less of more. Aggregation of small will be the new big. The traditional rule of thumb that 20 percent of SKUs equals 80 percent of sales will no longer be the rule. In 2015, the other 80 percent of units will represent an increasing share of the sales and a disproportionate share of the profits. With expanded access, consumers will buy less of what's —popular and more of what —suits me. Retailers that can figure out how to deliver what niche markets are looking for will reap the profits.

**The Unchaining of Retailing:** Size does not equal success in 2015. It will be observed that the demise of the cookie cutter specialty chain. The day of the 1,000-outlet specialty chain delivering the same homogenous, narrow and deep assortment everywhere, regardless of location, is over. Chain size will top out at lower store counts. Retailers will expect to achieve more of their growth from new concepts than from established concepts. The new specialty mega-retailer will comprise an ever-evolving portfolio of concepts that are fleet of foot and always keep a finger on the pulse of consumer segments.



**Global Consolidation of Big Box Retailers:** Big box retailing doesn't go away in 2015, but expect to see even greater concentration of market share on a global scale. Those players that remain after consolidation will be stratified by price tier and lifestyle. They will position strategically as share of life portfolios designed to meet target customer lifestyle or life stage needs inside a single box. They will target modular flexibility inside the box and multi-channel reach around the box.

**Share of Life Retailing:** Retailers will define themselves by the customers they serve, rather than by the products they sell. Retailers will grow by positioning themselves as more than just purveyors of —stuff but also as one-stop purveyors of lifestyles or need states. Service offers will help bring the brand experience to life. The new one-stop shop will focus on customer segments with edited assortments, simplified choices (eliminating the —tyranny of choice), and new combinations of goods and services.

**The “Un-storing” of Retailing:** It will get harder to answer the question what's a store much less what's in a store. Multi-channel will multiply—covering more than stores, catalogs and an online presence and come to mean a bigger, broader brand presence. Distribution and marketing models will proliferate. Harbingers include pop-up stores, virtual stores, and retailers partnering with service / experience purveyors (e.g., spas, cruises, hotels) or developing their own..

**The Rise of the Anchor Place:** Like the store of the future, the shopping center of the future will be closer to the customer. We will see the demise of the anchor store as the main draw. The place becomes the destination. New generation lifestyle centers will offer the ultimate in simplification and convenience a pre-packaged total lifestyle experience where busy consumers can shop, work, socialize, eat, and be entertained, live. New tenant mixes and anchors will focus on customer lifestyles, not just customer shopping styles.

**Consumer as Co-creator:** The line between maker and consumer will blur. Consumers will have almost limitless opportunity to get what they want by participating in the value chain as creator, co-creator, adapter, editor, re-mixer and re-packager. Unprecedented levels of customer connectivity—pre-manufacture, pre-shop, while shop, post-shop—will actively engage consumers in the development and customization of their own products, media and shopping experience.

**Exclusivity Escalates:** Penetration of private brands and manufacturer exclusives will explode across virtually all categories as retailers require differentiation, versatility, newness and return on inventory investment. Private brands will be key retailers

strive to satisfy niche opportunities, enable customization and keep pace with here today—gone today trend lifecycles. Umbrella brands will enable retailers to put their stamp on an expanded range of product and service offers.

**Suppliers Defend Turf:** In 2015, suppliers will live by two credos: —The best defense is good offense – and - If you can't beat them, join them. Supplier-retailer relationships will be increasingly collaborative but also increasingly competitive. Branded supplier-retailer partnerships will multiply but so will retailer private brands. More retailers will use or license brands to convey credibility. More suppliers will work vertically with retailers on unique brand and product offers—sourcing through selling.

**Power to the People:** Tools and technology will change the balance of power in retailing, shifting the power to the people. Consumers will have almost perfect information access about products and pricing. It will be almost impossible for retailers and producers to maintain a significant difference in margins on widely distributed commodities, underscoring the importance of differentiation, innovation, and integrated lifestyle approaches to doing business. Consumers will wield clout through social networking, value chain involvement and aggregation.

**New Technological Environment:** Technology will pervade the living and shopping experiences of 2015. Most of the technology trends anticipated for 2015 are progressions of trends that are under way today; they will just be more ubiquitous—tools and technology within reach wherever, whenever and for whatever purpose. Consumers can expect to shop location-free—via wireless broadband, wireless devices and instant translation. They can expect to shop intervention-free—via digital homes, networked appliances, automatic replenishment, man-machine interaction and device-to-device communication.

**Value Chain Evolution:** Today's value chain is designed for mass merchandising. The value chain of 2015 will need to support niche merchandising, down to the location, day part and customized individual unit. It will be defined by connectivity, early capture of true demand signals, total visibility, shared data, real-time information, real-time response, decentralization and integrated shared logistics. It will enable much clearer insight into true demand via the proliferation of interactive “Choice boards” designed to help consumers see and select from the full extent of product options available.

**Triple Bottom Line Scorecard:** Retailers and suppliers will need to become better global citizens. In 2015, the definition of corporate success will take into account environmental and social performance in addition to financial performance. Retailers

and suppliers should expect to be measured against an expanded set of criteria—planet and people as well as profit. Companies will be evaluated on how well they meet the needs of a wide variety of global stakeholders—customers, employees, suppliers, investors, communities and regulators.

Franchising: Till about 2008, 15 percent of those companies who are into retail were into franchising and by the end of 2009, a good 85 percent have opted for the franchising model. Apart from the obvious advantage of not requiring investments in assets, cost savings via higher efficiency is the other key reason why retailers are increasingly looking at the franchise model.

Birth of Specialized Retailing: The retail industry reached adolescence transforming from unorganized to organized over the past five years. It would now progress towards specialized retailing. Earlier used to go to a consumer hardware store; then came E-zone or Croma; now see birth of single-brand outlets. Outlets selling only Apple or Blackberry products would be better placed to offer evolved customers the full brand promise and their customer care executives won't be at a loss explaining high-end product features.

#### **FDI TRENDS IN INDIAN RETAIL SECTOR:**

Retailing in India is one of the pillars of its economy and accounts for about 22 percent of its GDP. The Indian retail market is estimated to be US\$ 500 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. As of 2003, India's retailing industry was essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population).

Until 2011, Indian central government denied foreign direct investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process. In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Wal-Mart, Carrefour, and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, Indian government placed the retail reforms on hold till it reaches a consensus.

In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues to hold on to retail reforms for multi-brand stores. In June 2012, IKEA announced it had applied for permission to invest \$1.9 billion in India and set up 25 retail stores. An analyst from Fitch Group stated that the 30 percent requirement was likely to significantly delay if not prevent most single brand majors from Europe, USA, and Japan from opening stores and creating associated jobs in India.

On 14 September 2012, the government of India announced the opening of FDI in multi-brand retail, subject to approvals by individual states. This decision was welcomed by economists and the markets but caused protests and an upheaval in India's central government's political coalition structure. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi-brand retail, thereby making it effective under Indian law.

On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The government managed to get the approval of multi-brand retail in the parliament despite heavy uproar from the opposition (the NDA and leftist parties). Some states will allow foreign supermarkets like Wal-Mart, Tesco and Carrefour to open while other states will not.

According to a KPMG report, the revised FDI policy on retail is expected to bring in global brands in the consumer electronics and luxury categories as well as allow brands in other categories to expand their footprint through their own e-commerce retail operations. The revised foreign direct investment (FDI) policy on retail announced by the government last month has allowed for the exemption of the local sourcing clause in single brand retail on a case by case basis, especially in the hi-tech and luxury products. As a result, one can expect to see major global brands, especially in the consumer electronics and luxury space, opening their own stores in India in 2016 and provide consumers the same retail experience as they do globally.

According to a report by KPMG on the retail sector, the trends, and expectations, with single brand retailers being allowed to conduct e-commerce transactions, we can expect to see many global brands introducing their global e-commerce retail platforms into India, and on the other hand, reducing their reliance on the existing Indian e-commerce marketplaces.

The report said that a significant trend that is expected to be seen in 2016 is brick and mortar retailers operationalising their own e-commerce platforms to help them

penetrate smaller towns and villages. “A major retailer has already operationalised its retail e-commerce platform in the apparel category, while another retailer has announced plans to create an Omni-channel footprint starting with the electronics category.

In the e-commerce retail segment, the year 2015 has started seeing the shift of e-retailers away from the deep-discounting strategy. While significant consolidation has been seen in the overall e-commerce retail space, the online grocery retail segment, which has seen the entry of a significant number of players in the past two years, is expected to witness consolidation in the coming year. The second half of the year also saw some e-retailers performing course-correction in their business strategies by re-sizing or re-aligning their businesses, which is expected to continue through to 2016 as investors focus on returns on their investments.

The luxury retail is expected to grow significantly, driven not only by demand but also by increasing the availability of space. “We estimate that supply of retail space for the luxury segment would double by 2019, and with current demand significantly higher than the supply, the growth in this segment is expected to continue in the coming years,”.

In addition to luxury retail, investments in travel retail are expected to grow in 2016 with the government approving 100 per cent in duty-free shops under the automatic route, as well as due to up-gradation of airports. The retail sector is expected to have grown at 10 per cent in FY15, which is faster than its growth in FY14. However, the growth rate of general trade in FY15 was more than that of modern trade. Modern trade expanded at a rate slower than general trade due to a cut-back in discretionary spends by consumers, competition from e-commerce/online sales, and a general slowdown that has seen brick and mortar retailers closing stores.

The e-commerce retail sector continued on its growth trajectory and is projected to touch \$15-20 billion by the end of 2015, with almost 50 million people buying merchandise online.

As of September 2015, \$70 million of FDI was received in retail trading, taking the total amount of FDI in the sector to \$345 million since January 2000. In 2014, the overall FDI in retail was \$177 million. The retail sector saw new brands in the apparel and luxury space enter India in 2015. However, FDI in retail this year has been lower this year as of September 2015, compared to 2014. In addition, the proposals on FDI in single brand retail trading approved by the Foreign Investment Promotion Board (FIPB) in retail have declined year-on-year, but this should pick up in the coming months on the back of the recently announced FDI norms. As of November 2015, the FIPB had approved proposals in single brand retail trading worth INR870 million,

compared to proposals worth Rs 2.84 billion in 2014. The year 2015 has seen lower foreign investment compared to 2014, but with the relaxation of FDI norms in retail in November 2015, as well as expected recovery in consumer demand in 2016, FDI investments in retail are expected to be higher next year. Domestic retailers, especially multi-brand retailers, have focused on rationalizing stores, as a result, a decline in sales and high operating costs. FDI inflows in single brand retail to India are presented in the table-4.

Table-4: FDI inflows in retail (single brand) to India

Year	Total FDI (US \$ millions)	FDI Retail trading (single brand) US \$ millions
2006-07	9,307.00	47.00
2007-08	19,425.00	200.00
2008-09	22,697.00	101.07
2009-10	22,461.00	669.61
2010-11	14,939.00	-590.94
2011-12	23,473.00	-103.74
2012-13	18,286.00	262.27
2013-14	16,054.00	63.46
2014-15	24,748.00	854.20
Total	171390.00	1,256.56
Average	19,043.33	139.62
SD	4981.11	420.15
Coefficient of Variation (%)	26.16	300.92
CAGR (%)	11.48	38.02

Note: For the years 2005-06, 2006-07 and 2007-08 it was mentioned in RBI Annual Reports as Retail & Wholesale Trade.

Source: Includes FDI through SIA/FIPB and RBI routes only.

### **CONCLUSION:**

The Indian Retail sector has come of age and has gone through a major transformation over the last decade with a noticeable shift towards organized retailing. The retail market was reached to Rs.47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 percent. It is observed that the retail sector in India is emerging as one of the largest sectors of the economy. By the end of 2016, the

total market size is around US\$ 600 billion, thereby registering a CAGR of 7.45 per cent since 2000. The retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 9.7 percent between 2000 and 2020.

It is also concluded that the retailing should follow the trends that will redefine the retail business environment in the future. They are Downsizing of Everything; The Globalization of Retailing; Breaking the 80/20 Rule; The Unchaining of Retailing; Global Consolidation of Big Box Retailers; Share of Life Retailing; The “Un-storing” of Retailing; The Rise of the Anchor Place; Consumer as Co-creator; Exclusivity Escalates; Suppliers Defend Turf; Power to the People; New Technological Environment; Value Chain Evolution; Triple Bottom Line Scorecard; Franchising and Birth of Specialized Retailing.

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## AN ANALYSIS OF EXPECTATIONS OF THE EMPLOYEES OF BPOS

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Motivation is definitely directing the efforts of employees towards attaining the goals of an organization. There is no organization which has reaped the profits, increased the market share, and increased its brand recall without the motivated employees. It is only the motivated employees which execute the plans and it into a success. Human capital has always been an extremely important determinant of individual and social progress. In the present scenario, it is instrumental for developing economies in an increasingly competitive, services led, knowledge driven global economy. The degree of responsiveness of the skilled human resources on the overall development and specifically the economic growth has been well established. A study on expectations of the employees assumes considerable amount of significance as it ensures smooth functioning of BPOs and the problem of frequent job quits will be the minimum. The broad objective of the paper is to analyze the expectations of the employees of BPOs. Towards the fulfillment of the objective, four BPO organizations and 200 employees and 20 executives of BPOs of different strata were selected for the purpose of the study located in Andhra Pradesh and Karnataka State. The sample BPOs includes AEGIS BPO services, Hinduja Global, SERCO and Tech Mahindra.

### RESULTS AND ANALYSIS

Table-1 : Employee empowerment

Response	Frequency	Percent	Cumulative Percent
Yes	152	76.0	76.0
No	48	24.0	100.0
Total	200	100.0	

Source: Primary data

Table-1 refers to the distribution of employees of the sample BPOs by their expectation namely employee empowerment strategies must be effectively implemented. It is observed that 76 percent of the employees of the sample BPOs have expected



that employee empowerment strategies must be effectively implemented in order to decrease frequent job quit from BPOs and 24 percent of the respondents did not subscribe to this view.

Table-2 : Personal and professional development of employees

Response	Frequency	Percent	Cumulative Percent
Yes	134	67.0	67.0
No	66	33.0	100.0
Total	200	100.0	

Source: Primary data

Table-2 refers to the distribution of employees of the sample BPOs by their expectation namely programs of personal and professional development of employees must be effectively taken up. It is observed that 67 percent of the employees of the sample BPOs have expected that programs of personal and professional development of employees must be effectively taken up in order to decrease frequent job quit from BPOs and 33 percent of the respondents did not subscribe to this view.

Table-3 : Talent management

Response	Frequency	Percent	Cumulative Percent
Yes	160	80.0	80.0
No	40	20.0	100.0
Total	200	100.0	

Source: Primary data

Table-3 refers to the distribution of employees of the sample BPOs by their expectation namely talent management. It is observed that 80 percent of the employees of the sample BPOs have expected that programs of talent management in order to decrease frequent job quit from BPOs and 20 percent of the respondents did not subscribe to this view.

Table-4 : Grave yard shifts should not be there

Response	Frequency	Percent	Cumulative Percent
Yes	148	74.0	74.0
No	52	26.0	100.0
Total	200	100.0	

Source: Primary data

Table-4 refers to the distribution of employees of the sample BPOs by their expectation namely graveyard shifts shouldn't be there. It is observed that 74 percent of the employees of the sample BPOs have expected that graveyard shifts shouldn't be there in order to decrease frequent job quit from BPOs and 26 percent of the respondents did not subscribe to this view.

Table-5 : Promoting work life balance

Response	Frequency	Percent	Cumulative Percent
Yes	148	74.0	74.0
No	52	26.0	100.0
Total	200	100.0	

Source: Primary data

Table-5 refers to the distribution of employees of the sample BPOs by their expectation namely promoting work life balance. It is observed that 74 percent of the employees of the sample BPOs have expected that promoting work life balance in order to decrease frequent job quit from BPOs and 26 percent of the respondents did not subscribe to this view.

Table-6 : Position and employee empowerment

Position	Employee empowerment		Total
	Yes	No	
Associate	53	17	70
	75.7%	24.3%	100.0%
	34.9%	35.4%	35.0%
senior Associate	46	14	60
	76.7%	23.3%	100.0%
	30.3%	29.2%	30.0%
team leader	30	10	40
	75.0%	25.0%	100.0%
	19.7%	20.8%	20.0%
Assistant manager	23	7	30
	76.7%	23.3%	100.0%
	15.1%	14.6%	15.0%

Total	152	48	200
	76.0%	24.0%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=0.047, df=3, p=0.997, r=-0.002

Source: Primary data

Table-6 refers to the distribution of employees of the sample BPOs by their position and by their expectation namely employee empowerment. The correlation between the position of employees and their expectation namely employee empowerment is found to be negative ( $r=-0.002$ ). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 which implies that the relationship between the position of employees and their expectation namely employee empowerment is found to be statistically independent.

Table-7 : Position and personal and professional development of employees

Position	Personal and professional development of employees		Total
	Yes	No	
Associate	47	23	70
	67.1%	32.9%	100.0%
	35.1%	34.8%	35.0%
senior Associate	41	19	60
	68.3%	31.7%	100.0%
	30.6%	28.8%	30.0%
team leader	26	14	40
	65.0%	35.0%	100.0%
	19.4%	21.2%	20.0%
Assistant manager	20	10	30
	66.7%	33.3%	100.0%
	14.9%	15.2%	15.0%
Total	134	66	200
	67.0%	33.0%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=0.123, df=3, p=0.989, r=0.011

Source: Primary data

Table-7 refers to the distribution of employees of the sample BPOs by their position and by their expectation namely personal and professional development programs for employees must be effectively implemented. The correlation between the position of employees and their expectation namely personal and professional development programs for employees must be effectively implemented is found to be positive ( $r=0.011$ ). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 which implies that the relationship between the position of employees and their expectation namely personal and professional development programs for employees must be effectively implemented is found to be statistically independent.

Table-8 : Position and talent management

Position	Talent management		Total
	Yes	No	
Associate	56	14	70
	80.0%	20.0%	100.0%
	35.0%	35.0%	35.0%
senior Associate	48	12	60
	80.0%	20.0%	100.0%
	30.0%	30.0%	30.0%
team leader	32	8	40
	80.0%	20.0%	100.0%
	20.0%	20.0%	20.0%
Assistant manager	24	6	30
	80.0%	20.0%	100.0%
	15.0%	15.0%	15.0%
Total	160	40	200
	80.0%	20.0%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=0.000, df=3,  $p=1.000$ ,  $r=0.000$

Source: Primary data

Table-8 refers to the distribution of employees of the sample BPOs by their position and by their expectation namely programs of talent management for employees must be effectively taken up. The correlation between the position of employees and their expectation namely programs of talent management for employees must be effectively taken up is found to be nil ( $r=0.000$ ). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 which implies

that the relationship between the position of employees and their expectation namely programs of talent management for employees must be effectively taken up is found to be statistically independent.

Table-9 : Position and grave yard shifts should not be there

Position	Grave yard shifts should not be there		Total
	Yes	No	
Associate	52	18	70
	74.3%	25.7%	100.0%
	35.1%	34.6%	35.0%
senior Associate	45	15	60
	75.0%	25.0%	100.0%
	30.4%	28.8%	30.0%
team leader	29	11	40
	72.5%	27.5%	100.0%
	19.6%	21.2%	20.0%
Assistant manager	22	8	30
	73.3%	26.7%	100.0%
	14.9%	15.4%	15.0%
Total	148	52	200
	74.0%	26.0%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=0.088, df=3,  $p=0.993$ ,  $r=0.012$

Source: Primary data

Table-9 refers to the distribution of employees of the sample BPOs by their position and by their expectation namely grave yard shifts should not be there. The correlation between the position of employees and their expectation namely grave yard shifts should not be there is found to be positive ( $r=0.012$ ). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 which implies that the relationship between the position of employees and their expectation namely grave yard shifts should not be there is found to be statistically independent.

Table-10 : Position and promoting work life balance

Position	Promoting work life balance		Total
	Yes	No	

Associate	52	18	70
	74.3%	25.7%	100.0%
	35.1%	34.6%	35.0%
senior Associate	44	16	60
	73.3%	26.7%	100.0%
	29.7%	30.8%	30.0%
team leader	30	10	40
	75.0%	25.0%	100.0%
	20.3%	19.2%	20.0%
Assistant manager	22	8	30
	73.3%	26.7%	100.0%
	14.9%	15.4%	15.0%
Total	148	52	200
	74.0%	26.0%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=0.045, df=3,  $p=0.998$ ,  $r=0.002$

Source: Primary data

Table-10 refers to the distribution of employees of the sample BPOs by their position and by their expectation namely promoting work life balance. The correlation between the position of employees and their expectation namely promoting work life balance is found to be positive ( $r=0.002$ ). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 which implies that the relationship between the position of employees and their expectation namely promoting work life balance is found to be statistically independent.

Thus, it is concluded that the expectations of the employees of BPOs are identified and arranged in the descending order of endorsement which include programs of talent management, employee empowerment strategies, graveyard shifts shouldn't be there, promoting work life balance and programs of personal and professional development of employees must be effectively taken up.

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## **INCLUSIVE GROWTH OF WOMEN IN AGRICULTURE -ISSUES AND CHALLENGES**

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### **ABSTRACT:**

India has a predominantly agrarian economy. 70% of her population is rural; of those households, 60% engage in agriculture as their main source of income. It has always been India's most important economic sector. Agriculture remains the biggest employer, with more than half of the Indian population depending on it for livelihood. In this important agricultural sector woman plays a vital role, because it is largely a household enterprise.

With the 11th Five Year Plan's target of achieving 4% growth in Agriculture can only be achieved through skill development. In spite of India's commitment to planned economic development still in terms of the Human Development Index, India's relative ranking has worsened, whereas that of China and even Bangladesh has improved. Rural women work in the farm and participate in a wide range of farm activities by slogging alongside with men in the fields. Considering the importance of agricultural women, the present study is an attempt to focus on measures and initiatives for agricultural inclusive growth. In this paper an attempt has been made to improve the current knowledge of farm women by exploring on the government initiatives in general for agriculture development and specific for farm women.

**Key words:** Inclusive growth, Human development Index, Empowerment, Globalisation.

### **INTRODUCTION**

What is financial inclusion? The process of facilitating sectors and segments of the population those are outside, to become a part of the formal financial system and enrolling individuals or groups into the formal financial sector. Aiming at higher profitability through agriculture has been important goal in developing countries like India. Globalization of farming has already affected the Indian farmers with gluts in production across the world being transmitted to India in the form of lower prices of farm produce. Sugar, oil seeds, edible oils, milk and milk products,



plantation crops and cotton are the prime examples of the impact of global markets on Indian farmers. The global shortages do not seem to produce high returns for Indian farms. Such shortages seem to benefit trade and industry more than the farmers. So measures should be taken for agricultural inclusive growth by making them involved in growth strategy of the country.

## **OBJECTIVES OF THE PAPER**

- To study and understand the importance of agricultural Inclusive growth
- Help Women to improve the current knowledge and support services needed to farm
- Increase the awareness of farm women and Promote the holistic development
- Focus on current initiatives of Government for farm women to improve their income levels to lead a quality of life.

## **AGRICULTURE AND FINANCIAL INCLUSION**

Agriculture is extremely important for inclusive growth, since a large majority of the Indian population is dependent on farming. Improved agricultural productivity would bring in its wake increased family incomes for this vast majority. This, together with better infrastructure in the countryside – greater rural connectivity, rural electrification and investment in irrigation, would aid tremendously in tackling rural poverty, as well as add to the overall prosperity of the nation. The ‘India Shining’ campaign of the previous government failed to impress the people precisely for this reason because a majority of the rural populace had remained outside the purview of the increase in national GDP. Keeping in mind the present situation initiatives should be taken for agriculture inclusive growth with special reference to farm women. Some of the initiatives for financial inclusion are:

- Direct loans or banking facilities to the targeted vulnerable communities or groups
- Facilitation of economic activity in a particular geographical area of operations or Location
- Development of local or national infrastructure to enable a particular type of business activity, which could then be practiced or performed by a group or groups which can include women; and
- Providing an enabling environment and/or enhancements for such economic activity to take place. The enabling environment includes laws, regulations, taxation, skills development, duty waivers, subsidies, etc.

## **WOMEN IN AGRICULTURE**

Woman is the molder and builder of any nation's destiny. They play a significant role in any economy. They are regarded as the backbone of the rural scene. Most of the women perform various types of work for their livelihood and agriculture is considered as the biggest unorganized sector where large number of rural women takes part actively. According to the 2001 census the total female population (all ages) is 49.6 Crores which constitute 48.26 % of the country's total population. Of the 49.6 Crores females, 36.09 Crores live in rural areas. Among the female population, 35.07 % are girl children ( $\leq 14$  years), 57.10 % are women aged 15-60 years and 7.83 % are elderly women ( $\geq 60$  years). For the sustainable development of agriculture and women's active involvement the Finance Minister Pranab Mukharjee has allocated a modest fund of Rs 100 crore to meet specific needs of women farmers. However, their participation would be governed by strategic interventions such as fulfilling basic needs through welfare programmes, facilitating involvement in economic activities and strengthening their economic base. This comprehensive package of incentives and support system will help women to actively undertake the envisaged agriculture development initiatives.

## **WOMEN'S CONTRIBUTION TO ECONOMIC DEVELOPMENT**

Women's contribution to growth has been much more significant in the recent decades. Taking the economy as a whole, women perform two-thirds of the work but earn only one tenth of the income. If the goal of the economic development includes improved standards of living, removal of poverty, access to dignified employment and reduction in inequality, through proper utilization of available resources, then it is quite natural to start with women. Women are the managers, leaders, bankers, savers and also tiny depositors they have built up social networks and facilitate the creation of social capital. On this basis empowering women folk become inevitable. Empowering women begins only a stage when they become economically independent. To make them economically independent, it is essential that they should be employed either by seeking employment or by generating employment and raising their own income. India has the potential of becoming a leading economy and has the unique opportunity to make that growth inclusive, provided there is willingness on the part of all sections of society to put in hard and disciplined work, together with serious, sustained and purposeful planning. Better governance, more and better educational institutions, higher agricultural productivity, controlled inflation and improvement in infrastructure are some of the major and more important steps required in this direction. Agriculture is extremely important for inclusive growth, since a large majority of the Indian population is dependent on farming. Improved agricultural productivity would bring in its wake increased family incomes for this vast majority. This, together with better

infrastructure in the countryside – greater rural connectivity, rural electrification and investment in irrigation, would aid tremendously in tackling rural poverty, as well as add to the overall prosperity of the nation. The Eleventh Plan adopts a multipronged approach towards this end. It provides for a major expansion in the programmes for irrigation and water management. The Rashtriya Krishi Vikas Yojana (RKVY) has been launched to assist the States in development and implementation of district level agricultural plans, based on local agro-climatic conditions. As a step towards food security, which has assumed special relevance in view of recent international developments, the National Food Security Mission aims at increasing cereal and pulses production by 20 million tons over a five year period.

### **INITIATIVES IN ANDHRA PRADESH FOR INCLUSIVE GROWTH**

The growth in agricultural sector in Andhra Pradesh, after reaching a peak in the eighties started decelerating in the nineties only to recover and gain momentum in the recent periods. The growth rate of agricultural sector during the tenth plan period was higher than the targeted growth rate. The prospects of the State in meeting the 11th Five Year Plan target of 4% also seem achievable. The state has been implementing a number of farmer-friendly initiatives to encourage farming in the state. These include supply of free power to Agriculture; insulate farmers from financial losses and to restore their credit eligibility in the event of crop loss through Agricultural insurance.

### **FARM WOMEN EMPOWERMENT PROGRAMME**

State Government has established Gender Cell with the following objectives for Farm Women Empowerment. The objectives of the programme are to provide Farm Equipment for the selected Women Groups. In this Seven Neem Seed Pulverizes and one Multicrop Thresher have been provided to the selected farm women groups from each district to encourage and popularize Gender friendly Equipment, to the farm women duly giving preference to farm Women involved in women Polambadi.

### **FARM WOMEN TRAININGS**

Trainings are being organized for over 16,700 Farm Women at mandal and district level. The major concern that clearly emerges is to improve the farm incomes both in absolute terms and percentage of Gross State Domestic Product (GSDP). The Department of Agriculture is therefore working with a mission of Sustainable Agricultural Production with minimum cost of cultivation, eventually enhancing the return on investment to the farmers. With an added zeal to the experiences of the year 2008-09, the current Agriculture Year 2009-10 began well before the Kharif crop season. Some of the preparatory activities are also taken up by the state agricultural department . To name a few 'Saguku Samayatham-2009' programme

which aims at creating awareness of the programmes being implemented by the departments of Agriculture, Animal Husbandry, Horticulture, Sericulture, Fisheries etc. This programme is organized every year during the two crop seasons i.e during Kharif and Rabi in every village of the State.

#### **ACHIEVEMENTS DURING THE SAGUKU SAMAYATHAM 2009 - KHARIF**

- 31,867 villages were visited in the Saguku Samayatham programme.
- 11,19,714 Men and 2,24,710 women have participated.
- 3,32,188 Soil Samples were collected.
- 81,174 Live Models were exhibited.
- 61,294 Live Demonstrations were demonstrated.

#### **ACHIEVEMENTS DURING THE SAGUKU SAMAYATHAM 2009 - RABI**

- 17,555 villages were visited in the Saguku Samayatham programme.
- 5,37,251 Men and 1,00,652 women have participated.
- 37,195 Soil Samples were collected.
- 10,731 Live Models were exhibited.
- 9,350 Live Demonstrations were demonstrated.

#### **VILLAGE AS INSURANCE UNIT**

For providing more benefit to the farming community particularly small and marginal farmers for the first time in the country, the Government of Andhra Pradesh started Village as Insurance Unit on Pilot basis during Kharif 2005 in five districts and continued during Kharif 2006. Pilot Project extended to 10 districts during Kharif 2007.

Table – 1 : District wise Crop selected under “Village as Insurance Unit” Scheme for Kharif, 2009

Sl.No	District	Crop
1	Srikakulam	Paddy
2	Vizianagaram	Paddy
3	Visakhapatnam	Paddy
4	East Godavari	Paddy
5	West Godavari	Paddy

6	Krishna	Paddy
7	Guntur	Paddy
8	Prakasam	Paddy
9	Nellore	Paddy
10	Chittoor	Groundnut (UI)
11	Anantapur	Groundnut (UI)
12	Kadapa	Groundnut (UI)
13	Kurnool	Groundnut (UI)
14	Rangareddy	Maize
15	Mahabubnagar	Maize
16	Medak	Maize
17	Nizamabad	Maize
18	Nalgonda	Paddy
19	Warangal	Paddy
20	Khammam	Paddy
21	Karimnagar	Paddy
22	Adilabad	Soyabean

Source: Agriculture Department of AP

### **PAVALA VADDI SCHEME ON CROP LOANS**

Lending crop loans to the farmers at an affordable interest rate through Institutional finance has been the priority of the Government. The Government has introduced Pavala Vaddi Scheme (at 3% interest) on crop loans as an interest incentive for all the loanee farmers who have repaid the crop loans within due date, eventually reducing their financial burden. The interest charged by banks, over and above 3% per annum shall be reimbursed to the loanee farmers by the State Government.

### **FARM WOMEN EMPOWERMENT PROGRAMME**

State Government has established Gender Cell with the following objectives for Farm Women Empowerment. The Objectives of the programme are to Strengthen the institutional capacity of the department to address more effecting needs of Farm Women. And to improve the current knowledge and support services needed to farm women, and to expose them to the relevant technologies.

### **POLAM BADI PROGRAMME**

Polam badi (Farmers Field School) is being implemented to inculcate use of eco-friendly measures of bio-agents and bio-pesticides to control crop pests which

in turn reduce cost of cultivation and improve the quality of produce, resulting in high market price and good returns. It also ensures soil health. The main goal of the govt is to empower the farmers to take economical decisions by adopting practices of Integrated Crop Management. In Polam badi, farmers meet weekly during a full cropping season to conduct experiments and to monitor and discuss crop management intervention. Polam Badi at a glance during the year 2009-10 is shown in Table -2

Table – 2 : Polam Badi

Crop	Farmers for Training					
	Kharif 2009		Rabi 2009-10		Total	
	Target	Ach.	Target	Ach.	Target	Ach.
Rice	2943	1970	1360	687	4303	2657
Maize	170	46	292	143	462	189
Pulses	208	102	460	319	668	421
Oil seeds	802	462	881	579	1683	1041
Cotton	629	431			629	431
Others	55	52			55	52
Total	4807	3063	2993	1728	7800	4791
No.of farmers to be trained	144210	91890	89790	51840	234000	143730

Source: Agriculture Department of AP

## **CONCLUSION**

The all-round development of agriculture is only possible by the active participation of rural women who are a significant part of the working class. A holistic and integrated approach is the need of the hour to achieve sustainable and inclusive development across the agriculture value chain to maximize stakeholder benefit and transform India into a leading agro economy of the world. India's vision of inclusive growth to a large extent is predicted on the reforms and making women participate more in agriculture. The Unique Identification Number (UID) Project of Government of India will be a powerful instrument for helping the poor to establish their identity. This will enable them to access the chain of networks and reduce the intermediaries and facilitate them to empower themselves and contribute to agricultural inclusive growth of rural India.

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# **IMPACT OF INDUSTRY – INSTITUTE COLLABORATION (IIC) IN SELECT ENGINEERING INSTITUTES OF RANGA REDDY AND MEDCHAL DISTRICTS OF TELANGANA STATE**

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## **INTRODUCTION**

In recent years, educational institutes are considered as a new source of knowledge for the industry where very young intellectual minds are functioning innovatively to solve or overcome today's industrial problems. This research paper aims at the impact of Industry – Institute Collaboration (IIC) in select engineering institutes of Ranga Reddy and Medchal Districts of Telangana State.

## **Motivation of Research Work**

The motivation of the research study is to understand whether the collaboration of engineering institutes with the industries is useful to provide benefits to institutes in terms of improving teaching and learning process, research and innovation, employability of student and success of knowledge transfer between institutes and industry.

## **OBJECTIVES OF THE STUDY**

- To understand the significant influence of industry institute collaboration on research and innovation in engineering students
- To study the significant influence of industry institute collaboration on teaching and learning in engineering institutes.
- To identify whether the collaboration of industry institute has a significant influence on employability in engineering institutes.
- To know whether industry institute collaboration has a significant influence on knowledge transfer in engineering institutes.
- To study the most significant method of knowledge transfer between industry and institutes.

Hypotheses of the study:



H01: The industry - institute collaboration have no influence on research and innovation in engineering institutes.

H02: The industry - institute collaboration have no influence on teaching and learning in engineering institutes.

H03: The industry - institute collaboration have no influence on employability in engineering institutes.

H04: The industry - institute collaboration have no influence on knowledge transfer in engineering institutes.

### **Literature review**

According to Albert Banal-Estanol, (2010), the educational institute who don't have interaction with industry at all seems to produce less number of research papers compares to those institutes who have collaboration with industry. The institute with moderate level of collaboration with industry produced more research papers than institutes which has very high level of industry interaction. Thus adequate interaction with industry is valuable, which enables knowledge transfer, speedup inventions and increases research productivity academic institutes. The important sources of knowledge transfer process were contract research, technical service & consultancy and conferences.

Pallot & Sandoval, (1998), Global partnership projects fetched in optimistic effects on creativity and innovativeness because of a larger variety of expertise as well as reduced costs and lead-time in optimizing solutions based on partners specific knowledge and core competencies. The most important advantage appreciated by industries is an improved entrée to new research and innovations in institutes and the most significant benefits by faculty members is supplementing their own academic research by conservation capitals for researchers and lab equipment and by pursuing visions into their own research. Incubation as in technical progress facilitates ideas, exploration or laboratory process, practical solicitation near introduction for commercial purposes or release. Industry-Institute partnership increases chances for hatching new innovations for the creation of new products.

In case study of collaboration between CISCO, Microsoft and University of Melbourne found that, Involvement of training programs, workshops have improved the quality of teaching and learning process in academic institutes. The group of multidisciplinary team tackled industrial problems innovatively. The collaboration was helpful for students to gain practical experience and learnt to work through group task. Industry institute collaboration has created real world learning for students. The partnership developed the skills which were required by industrial standard. Industry has developed partnership aimed at modernizing teaching and learning

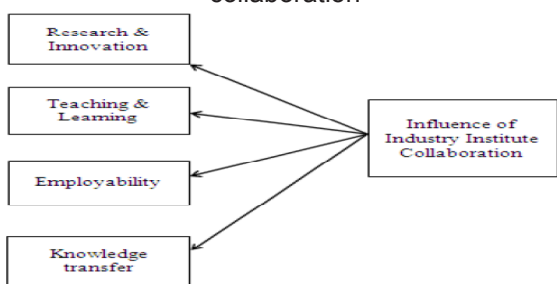
process. Partnership with industry using cross disciplinary team was ground breaking approach to transform teaching and learning process (Haydn Belfield, 2012).

The program of International Design and Business Management (IDBM) of AALTO University was one year program for management students. In collaboration with Finnish industry; The IDBM Partnership made actual world learning practices for the students. Industrial problems were solved innovatively by students group with different disciplines of education. This outcome produced direct recruitment platform for students. 7% of the services and products arose from collaborated project, which had created value for industrial partner. This collaboration resulted in good knowledge transfer activities between industry and institute (Salimaki M, 2011). Collaboration opens the door to the teaching, learning and employability opportunities with Industry. The partnership with industry has increased the student motivations for learning. Partnership has increased awareness of desired employability skills; faculties understood the expectations of industry in workforce development. Collaboration provided better corporate image and recognition in technical industry (Richard Bukaliy, 2013).

### Conceptual Framework

It is observed from the literature review above, that industry – institute collaboration has very significant influence of factors like teaching and learning, research & innovation, employability and knowledge transfer in academic institutions.

Figure 1: Conceptual model representing the influence of industry – institute collaboration



Source: Developed by researcher

The figure above presents the conceptual model on influence of industry – institute collaboration on teaching and learning, research & innovation, employability and knowledge transfer.

## RESEARCH METHODOLOGY

### Sample Design

#### Target Population

The sample population for the study constitutes of 125 respondents across 5 select engineering institutes from Ranga Reddy and Medchal Districts of Telangana State city. The respondents were chosen based on their participation in research collaboration projects and other industry – institute partnership activities.

The following are the institutes which were selected for the study:

1. Tirumala Engineering College, Bogaram, Medchal District, Telangana
2. Srinidhi Engineering College, Yamnampet, Medchal District, Telangana
3. ACE Engineering College, Medchal District, Telangana
4. Geethanjali Engineering College, Keesara, Ranga Reddy District, Telangana
5. MVSR Engineering College, Nadergul, Ranga Reddy District, Telangana

#### Sampling Size

Formula for identifying sample size for finite Population:

$$n = \frac{Z^2 * p * q * N_p}{(e^2 * (N_p - 1)) + (Z^2 * p * q)}$$

n ==> Sample Size

Z ==> 1.96 (as per table of scores in normal distribution within selected range of z for a confidence level of 95%)

p ==> proportion of defects in the universe (2% of defect in the universe is assumed)

q ==> (1-p)

e ==> acceptance error (an error 2% of the value is assumed)

$N_p$  ==> finite population (No. of Engineering College =45 \* Avg. Teaching faculties)

p= 0.02, q=0.98, e=.02, Z=1.96,  $N_p$ =7200, n=100.

#### Sampling Technique

The random sample technique was used to identify the sample. The respondents of the study are the Faculty members of engineering institutes, Heads of the Department, Directors, Directors (Research & Development), Training / Placement officers (TPOs), Industry-Institute Coordinators, Professors, Associate Professors and Assistant Professors.

### Data Analysis and interpretation

IBM SPSS Ver. 20 was used for the statistical analysis of the data used in the present study. For reliability analysis Cronbach's alpha value was found to be 0.819.

Cronbach's Alpha	N of items
0.819	27

Table: Reliability Statistics

Profile of the respondents by age: The table below shows the distribution of the respondents by age and the results are presented as below:

Table: Profile of the respondents by age

Age Group (in years)	Frequency	Percent	Cumulative Percent
21-30	26	20.8	20.8
31-40	42	33.6	54.4
41-50	39	31.2	85.6
51 and above	18	14.4	100.0
Total	125	100.0	

Source: Primary data

It is observed from the table above, that 33.6% of the respondents are from 31-40 age group followed by 31.2% from 41-50 age group, 20.8% from 21-30 age group and 14.4% from 51 and above age respectively.

Profile of the respondents by gender: Distribution of the respondents by gender is shown in the table and the results are depicted as below:

Table 5: Profile of the respondents by gender

Gender	Frequency	Percent	Cumulative Percent
Male	58	46.4	46.4
Female	67	53.6	100.0
Total	125	100.0	

Source: Primary data

From the table above, it is seen that 53.6% are female respondents followed by 46.4% male respondents.

Profile of the respondents by Educational Qualification: The table below presents the distribution of respondents with respect to their educational qualifications and the results are shown in the table below:

## Profile of the respondents by Educational Qualification

Education	Frequency	Percent	Cumulative Percent
Graduation	13	10.4	10.4
Post - Graduation	47	37.6	48.0
PhD	65	52.0	100.0
Total	125	100.0	

It is seen from the results above, that 52% of the respondents are Ph.D. holders followed with 37.6% Post-graduates, 10.4% with graduation.

Profile of the respondents by Designation: The table below depicts the distribution of the respondents with respect to their designation and the results are as below:

Table: Profile of the respondents by Designation

Designation	Frequency	Percent	Cumulative Percent
Heads of the Dept.	30	24.0	24.0
Directors	7	5.6	29.6
Directors(R&D)	8	6.4	36.0
Principals	8	6.4	42.4
TPOs	11	8.8	51.2
Professors	10	8.0	59.2
Associate Professors	20	16.0	75.2
Assistant Professors	31	24.8	100.0
Total	125	100.0	

It is observed from the table above, that 24.8% of the respondents are Assistant Professor followed by 24% of Heads of the departments, 16% Associate Professors, 8.8% TPOs, 8% Professors, 6.4% Directors (R&D), 6.4% Principals and 5.6% Directors respectively.

Profile of the respondents by Experience: The table below shows the experience wise distribution of the respondents and the results are depicted below:

Table: Profile of the respondents by Experience

Experience (in years)	Frequency	Percent	Cumulative Percent
Less than 5 years	24	19.2	19.2
5-10	32	25.6	44.8
11-15	18	14.4	59.2
16-20	24	19.2	78.4
More than 20 years	27	21.6	100.0
Total	125	100.0	

From the table above, it is seen that that 25.6% of the respondents have an experience between 5-10 years followed by 21.6% with more than 20 years, 19.2% with less than 5 years of experience and 14.2% with 11-15 years of experience.

**Paired T-test – To study the factors affected by IIC**

Paired-t test analysis was performed to study the influence of IIC on research & innovation, teaching & learning, employability and knowledge transfer which were considered to be the most significant factors influenced by collaboration. The Paired t-test compares the Mean of the influence of IIC with the research & innovation, teaching & learning, employability and knowledge transfer correspondingly.

Table: Results of the Paired t-test

Influence of IIC on various factors	N	Correlation	Mean	SD	T	p-value
Research & Innovation	125	.321	4.24 3.82	.513 .602	9.634	0.000*
Teaching & Learning	125	.336	4.24 4.10	.513 .403	1.004	0.000*
Employability	125	.397	4.25 4.08	.513 .503	1.879	0.000*
Knowledge Transfer	125	.737	4.25 4.12	.462 .513	4.296	0.000*

\* denotes significance value

Table: Summary of the results on Paired t-test

Hypothesis	Analysis	Result	Summary
Hypothesis-1	$p=0.000<0.01$	$H_a$ accepted	IIC has significant influence on research and innovation in engineering institutes.
Hypothesis-2	$P=0.000<0.01$	$H_a$ accepted	IIC has significant influence on teaching and learning in engineering institutes.
Hypothesis-3	$P=0.000<0.01$	$H_a$ accepted	IIC has significant influence employability engineering institutes.
Hypothesis-4	$P=0.000<0.01$	$H_a$ accepted	IIC has significant influence on knowledge transfer in engineering institutes.

From the results of above, it is observed that IIC has significant influence on the factors research & innovation, teaching & learning, employability and knowledge transfer among the engineering institutes in Ranga Reddy and Medchal Districts of Telangana State city.

### Scope for future research

The study had been carried in select 5 engineering institutes of Ranga Reddy and Medchal Districts of Telangana State. It would be more helpful if the study is carried in different streams at university level to know the impact of IIC on various departments.

### CONCLUSION

The main aim of the study to understand find the influence of IIC on research & innovation, teaching & learning, employability and knowledge transfer among the select engineering institutes in Ranga Reddy and Medchal Districts of Telangana State. The results of the analysis shows that the IIC has a significant influence on research & innovation, teaching & learning, employability and knowledge transfer in engineering institutes in Ranga Reddy and Medchal Districts of Telangana State. Collaboration with the industries created real learning experience for the students of the engineering institutes while working on industrial problems to endow with solutions innovatively. It is observed that many faculty members from the engineering institutes were working on the contract research projects to build products of industry, the association helped in developing new products for the industry partners. Faculty members have agreed that association with industry partners in training, internships and workshop programs enhanced the technical learning and learning process.

The result of the study was found to be motivating to the engineering institutes in Ranga Reddy and Medchal Districts of Telangana State, which do not collaborate with industries. Also the result would be useful for the engineering institutes to recognize whether IIC has significant influence on research & innovation, teaching and learning, employability and knowledge transfer in the institutes.

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# **“LARGE RETAIL OUTLETS IMPACT ON TRADITIONAL RETAIL SHOPS – A STUDY OF SELECT KIRANA STORES”**

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## **ABSTRACT**

The retail sector in India is expanding and modernizing rapidly. Many of the big MNC's are entered with diversified marketing strategies in Indian retail sector. The entry of the big retail stores created a survival problem for the small age old kirana shops. This article tried to identify the impact of big retail stores on kirana shops. The findings of this study are based on the largest ever survey of unorganized retailers (the so called mom and pop stores) and consumers. For this study, 120 small kirana shops, located near to the big retail stores are selected from the Hyderabad City. The data has been collected by administering a structured questionnaire. We found that, entry of big retail stores has a great impact on unorganized retailers. The kirana stores lost their sales and customer base to the big retail stores. Still, kirana stores trying to give a big competition by adopting the new marketing and retaining strategies. And also they are trying to understand the changing behavior of customers and moulding them accordingly. Most of the customers opined that, still kirana shops are the best choice for daily shopping.

**Key words:** Organized Retailing, Kirana Shops, FDI, Sales, Customer base, customer behavior.

## **INTRODUCTION:**

The retail sector has become one of the most dynamic growing sectors in the recent times. Nations with strong retail activity enjoy greater economic and social progress. Retailers are doing favour by bringing the product to the customers; they are helpful in creation of demand of new offers leading to the expansion of the market. The Indian retail industry is not only one of the most fragmented in the world but also the most challenging due to its unorganised nature. Unorganised retailing was established over centuries. Its low cost structure, mostly owner-operated, has negligible real estate and labour costs and little or no taxes to pay. Consumer familiarity that runs from generation to generation is one big advantage for the traditional retailing sector. India is called a nation of shop keepers . In contrast, players in the organised sector have big expenses to meet, and yet have to keep prices low enough to be able

to compete with traditional sector. High costs for the organised sector arises from: higher labour costs, social security to employees, comfort facilities such as air-conditioning, back-up power supply and taxes.

Traditional retailing was established over centuries. Its low cost structure, mostly owner-operated, has negligible real estate and labour costs and little or no taxes to pay. Consumer familiarity that runs from generation to generation is one big advantage for the traditional retailing sector. In contrast, players in the organised sector have big expenses to meet, and yet have to keep prices low enough to be able to compete with traditional sector. High costs for the organised sector arises from: higher labour costs, social security to employees, comfort facilities such as air-conditioning, back-up power supply and taxes.

The retail landscape in India is changing rapidly and is being scrutinized by large scale investments by foreign and domestic players. Market liberalization and changing consumer behavior have sown the seeds of a retail transformation. The recent initiatives taken by the government to open up the organized retail sector for foreign players has opened new avenues for many companies to enter the industry. The government is considering the introduction of multi brand specialty formats like consumer electronics, building, sports goods and construction and stationery. The government has allowed 51 % FDI in single brand retail outlets. Many companies like Spencer's, Lee cooper; Starbucks and Wall-mart have put forward their FDI proposals to the government of India. On the other side, this initiative had varied impact on the kirana stores scattered in the Indian market.

**Evolution of Modern Retailing in India**

	Pre-1980	1980-1990	1990-2005	2005-Present
Retail Market Size	-	2 trillion	13 trillion	13 trillion
Organized Retail Penetration	-	-	4%	7.80%
Format	Peddlers ,vegetables vendors Neighbourhood kirana store	Speciality Stores	Supermarket, Hypermarket, Departmental stores	Vertical wise speciality stores
Penetration of Malls	-	Less	Moderate	High

Evolution	-	Domestic and Regional players	International players	Large corporate Houses
FDI	NO	No	Yes	Yes
Competition	Less	Less	Moderate	High

### **Journey of Organized Retail in India**

Year	Growth	Function
2000	First Phase	Entry, Growth, Expansion, Top Line forces
2005	Second Phase	Range, Portfolio, Former Options
2008	Third Phase	End to end supply chain management, Backend operation, Technology ,Process
2011	Fourth Phase	M&A, Shakeout ,Consolidation, High Investment

(Source: A Report by Ernst&Young for IBEF, [www.ibef.org/download%5c Retail\\_220708.pdf](http://www.ibef.org/download%5c%20Retail_220708.pdf))

This initiative has given an impetus to organized retailing business in India. In the recent years organized retail poised for much faster growth. Major industrial houses like Walmart-Bharti combination, Tommy Hilfiger, Carrefour, Marks & Spencer, Nike, Tesco, AV Birla group and Future group are all gearing up for huge investments and aggressive business strategies have entered this area and announced very ambitious future expansion plans. However, opinions are divided on the impact of the growth of organized retail in the country. Concerns have been raised that the growth of organized retailing may have an adverse impact on retailers in the unorganized sector. It has also been argued that growth of organized retailing will yield efficiencies in the supply chain, enabling better access to markets to producers (including farmers and small producers) and enabling higher prices, on the one hand and, lower prices to consumers, on the other.

In the context of divergent views on the impact of organized retail, it is essential that an in-depth analytical study on the possible effects of organized retailing on unorganized sector in India has to be conducted.

The primary aim of this study is an attempt to know the impact on the business of the kirana shops due to the entry of the organised retail stores. This study tries to analyse different factors, which are related to the sales, customer base, credit, customer relationships and sales methodology in the kirana shops before and after

the entry of the supermarkets.

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### **Review of Literature:**

Ramanathan.V and Hari in their article entitled “Structural Changes in Indian Retail Market: From Unorganized to Organized” have expressed their opinions on organized and unorganized retail sectors and their benefits. The Indian retail sector continues to be one of the largest sectors attracting investments from private sector. Currently Indian retail distribution is completely fragmented with about 12 million players. The majority of these are very small players operating from small shops (below 50 Sq. Sft in size) and with handcrafts. These retail outlets are spread across the country in over 5,000 cities and 6, 00,000 villages. India is the second fastest growing economy in the world, the third largest economy in terms of GDP and the fourth largest economy in purchasing power parity (PPP) after USA, China and Japan and India is also rated among the top 10 FDI destinations. The Indian economy grows by over 8% a year and India’s growth rate can actually exceed China by 2015.

Siva kumar.A in his book entitled” Retail Marketing” had opined that the grocery products have the highest sales when compared to any other products all over the world. He also made observations on the consumer behavior concerning the grocery retail sector. The three top categories of products for which global retail sales are the highest are grocery, apparel and furniture. Grocery retailing has the highest sales because of its critical position in satisfying one of the basic needs of any human being-food. The Indian grocery-retailing scenario has changed since the 90’s. There are about 6.5 million grocery outlets in India in various formats. In value terms; an estimate of total grocery retail is \$90 billion. Grocery constitutes over 50% of the Indian retail market.

The grocery retail chain faces some of the following issues concerning consumer behavior:

- Should there be a reduction in number of SKU(Stock Keeping Units) in a particular category
- How should sale of non promoted categories be looked at in judging promotional effectiveness

- Is there a need to classify variety seeking behavior
- How should one monitor consumption rates for packaged goods
- What are the long-term effects of promotion on consumer behavior.

Smita Agarwal in her article "Big Retail won't hurt kirana shops" says that organized retail does not pose a threat to a large number of neighborhood 'mom n pop' stores, reveals the preliminary findings of a study by the Indian Council for Research on International Economic Relations (ICRIER) to be submitted to the Union Government by September-October 2007. The study also found out that despite the presence of large corporate retailers in southern India for much longer periods, the small convenience stores in the region have not witnessed a decline in their business.

Customer satisfaction affected by many of the store attributes. Miguel I. Gomez (2004) measured the links between store attribute perceptions and customer satisfaction, and between customer satisfaction and sales performance. The data set consists of six waves of customer satisfaction and sales data for about 250 retail outlets over the period 1998–2001 for a publicly held supermarket company. They constructed a statistical model to address nonlinearities and asymmetries in the satisfaction-sales performance links, and illustrated how retailers can affect store revenues by managing customer satisfaction. The study contributes to the analysis of behavioral consequences of customer satisfaction in the food retail sector, the accommodation of complexities in the satisfaction-sales performance links based on an empirical model of first differences, and a discussion of how managers can employ the results for customer satisfaction policies.

The customers are looking more into the quality of products and services. Chetan Bajaj (2006) says that quality of the product or services plays vital role in customer satisfaction. Customers will not accept an inferior quality product. Even though a retail store may be very good in developing relationship with customers, with poor quality core products or associated services it cannot exercise relationship marketing. On the contrary, a strong customer service will enhance relationship marketing between a retailer and a customer. The increased competitiveness has improved customer service levels, which includes telephone order system, credit facilities, home delivery etc.

Sharif Memon(2006) tried to know the changes in consumer behavior with the changes in the Indian retail trends. For that he collected data from 200 respondents (customers visiting retail stores). Factor analysis (KMO- test) is used for data analysis.

In this study, the researcher identified that, 12% believe that quality services of retail store to be delightful and 66% to be satisfactory and above their expectations and satisfied about its quality. 66% respondents purchase for their households twice a week or more. As many as 60% say that the price proposition was average and other 34% seemed to be satisfied. Producers will have to face rivalry from retailers' private brands.

In the article entitled "On a quest for 'Value'" the author Purvita Chatterjee has discussed about the changes made by food and grocery retailers by taking a leaf out of the kirana model to stick it out in recessionary times.

Making heavy investments ahead of time is providing to be expensive for food and grocery retailers.

The largest segment in organized retail has always found it tough to beat the local kirana stores, but now it is bending backwards to adopt a model similar to theirs. Deep discounting and value based positioning have become the norm, considering that making profits is still along haul for these players.

In fact, except for the future group's big bazaar, most of the other players are still struggling to make money in a recessionary environment. Most food retail chains are either in the throes of relocating or restructuring their operations.

In the case of reliance fresh, this has decided to adopt value-based positioning to be on a par with local grocer. It would now be adopting a pricing policy, which would match that of the local grocer. "We are strengthening our positioning of being a value-based retailer and our pricing would be similar to that of the local grocer," said an official from Reliance Fresh. This is believed by many of the retailers.

Malini Reddy.Y (2004) opined that, shopping has now come to be an establishment form of social science, defined by experts as retail anthropology. She explains the dynamics of shopping and its impact on retailing. it is essential for retailers to understand that their choices and decisions about their store design, presentation and services have a direct impact on consumers traffic patterns and buying decisions. in retailing, the shopping environment is as important as a product's price and construction, as it is a proven fact that an increase in a shopper's" dwell time" boosts the chances that s/he will make a purchase.

Tarang Vanish (2004) focused on customer ecstasy. The retailers have to spend enormous amount of time, money and effort in understanding the consumer to

ensure that their offerings is just right-the right product attributes at the right price and targeting the right need with the right message. Now the new buzzword is not customer satisfaction, but customer ecstasy. Indian customers by and large are considered price conscious, undecided, brand conscious, but not particularly specific. The malls planned to suit requirements like oversize, and is very proactive to respond to market needs and customer needs.

Rathnayake.C.V(2008) says that, Complaining is one of the central behavioral concerns on which a retailer has to expend a considerable attention. Proper understanding of the dynamics of customer complaining behavior supports the retailer to treat the customers who are not satisfied with the retail experience. The results revealed that, the youngsters view complaining as wastage of their time and effort. The study further reveals that customers make complaints mainly to obtain the restitution. Conversely, the customers are slightly altruistic and they prefer to make complaints to support retailers to improve the service. However, compared with women, men tend more towards complaining to vent their anger.

### **SCOPE OF THE STUDY:**

The study was made in Hyderabad west zone colonies viz., Malakpet, Saidabad, Santoshnagar, Champapet, Moosarambagh, Dilsukhnagar, Kothapet, LB Nagar, Vanasthali puram, and BN Reddy Nagar.

Emphasis was made to find out if the kirana shops will sustain their business after the invasion of supermarkets and what measures should be taken to withstand the competition between the new supermarkets and neighborhood kirana shops.

### **OBJECTIVES OF THE STUDY:**

To study and analyze the impact on the traditional retail outlets (Kirana shops) business due to the entrance of organized retail outlets (Supermarkets/malls).

- a) To study and analyze the survival strategies of kirana stores to withstand the competition.
- b) To study and analyze the impact on sales of the Kirana stores.
- c) To study and analyze the impact on customers base of the Kirana stores.

### **Research Methodology:**

The study depends on both the primary and secondary data. The primary data was collected using a structured questionnaire.

#### **a) Sources of Data Collection:**

**Primary Data:** Primary data was collected from the unorganized (traditional) retailers located near the large retail outlets using a structured questionnaire and personal interviews as and when required.

**Secondary Data:** Secondary data was collected from the various journals, periodicals, news papers, magazines, and web sites.

**b) Sampling plan:**

**Sample Size:** Sample size consists of 120 kirana shop owners.

**Sample Area:** Sample was collected from Hyderabad.

c) **Statistical Tools** - The collected sample was analyzed using the t-test for two samples in Microsoft Excel.

**Limitations of the Study:**

The study is done in the Hyderabad city only. And the conclusions drawn are confined to Hyderabad city only. The period of the study was Eight months. The data used to get the inferences was purely based on the information provided by the respondents either the sales per day or the number of the customers per day.

**Statement of the Problem:**

The present study has been carried out to know the impact of large retail outlets on traditional retail setup.

The impact has been evaluated based on the following attributes

- 1) Sales per Day
- 2) Customer Base per Day

To know the extent of impact on sales and customer base per day of kirana shops, a comparison of these attributes for before and after the entry of supermarkets is taken.

**Hypothesis of the study:**

Based on the above discussion two (2) hypotheses can be defined to get the conclusions.

**HYPOTHESIS I:** Based on the sales per day

**H 0:** There is no change in the sales of the kirana shops after the entry of the supermarkets



H 1: There is decrease in the sales of the kirana shops after the entry of the supermarkets (right tailed test)

HYPOTHESIS II: Based on the customer base per day

H 0: There is no change in customer base after the entry of the supermarkets.

H 1: There is decrease in the customer base after the entry of the supermarkets.

The data collected from 120 respondents has been tabulated and using the t- test the results are as follows.

### Data Analysis:

1. Kirana Shop inherited from :

Inherited From	No. of Respondents	Percentage (%)
Ancestors	17	14
Parents	26	22
Self	65	54
Others	12	10
Total	120	100

Inference: Out of 120 respondents fifty four percent of the shop owners are found to start the outlet on their own for the survival. The complete family members are involved in running these kirana shops. Second position goes to the outlets owned by the parents. In the others category few outlets were purchased and few outlets were taken over from their relatives.

2. Addition of different new products into product category to attract the Customers.

Response	No. of Respondents	Percentage (%)
Yes	56	46.66
No	64	53.33
Total	120	100

Inference: Out of 120 respondents only 56 have found to add new products to attract the customers. Earlier unbranded and local made chips and eatable items were sold. At present branded items like Lays, Bingo, Haldiram badam halwa, Namkeens are sold. Many shops have started selling disposable items like plates, glasses, spoons etc. Few shops have added deodorants, vegetables, and stationary items to their product list to attract the customers.

Many items, which were sold loose, are now sold as packed items. Especially grocery items were are now packed and sold. Even customers prefer to purchase more a packed item then loose so as to carrying becomes easy.

3. Change in the sales promotion methods due to the entry of supermarket.

Category	No. of Respondents
Packaging	63
Window display	32
Discounts	15
Home delivery	22

Inference: It is observed that 63 respondents started to offer grocery items in packets. The offers provided by the companies are displayed depending on the space and the benefit they get from the promotional activity. Fifteen respondents said they have started giving discounts on bulk purchases and to the customers who are price conscious. Home delivery provided to regular, big orders and old customers.

4. t-Test for Two Samples:

HYPOTHESIS I: Based on the sales per day

H 0: There is no change in the sales of the kirana shops after the entry of the supermarkets

H 1: There is decrease in the sales of the kirana shops after the entry of the supermarkets (right tailed test)

	Variable 1	Variable 2
Mean	5391.666667	4355
Variance	22104635.85	16594680.67
Observations	120	120
Pearson Correlation	0.824932189	
Hypothesized Mean Difference	0	
df	119	
t Stat	4.261801476	
P(T<=t) one-tail	0.0000204037146613497	
t Critical one-tail	1.657759285	
P(T<=t) two-tail	4.08074E-05	
t Critical two-tail	1.980099853	

Calculated (Val) = 0.0000204037146613497

Table (Val) = 0.05

Calculated (Val) - 0.0000204037146613497 < Table (Val) - 0.05

As the Cal (Val) < Tab (Val) we reject the Null Hypothesis H<sub>0</sub> and accept the Alternative Hypothesis H<sub>1</sub>.

Hence, we come to a conclusion that there is a decrease in the sales and customer base of the kirana shops.

**HYPOTHESIS II:** Based on the customer base per day

H<sub>0</sub>: There is no change in customer base after the entry of the supermarkets.

H<sub>1</sub>: There is decrease in the customer base after the entry of the supermarkets.

	Variable 1	Variable 2
Mean	123.4166667	109
Variance	2019.740896	1853.613445
Observations	120	120
Pearson Correlation	0.985048972	
Hypothesized Mean Difference	0	
df	119	
t Stat	20.15092694	
P(T<=t) one-tail	0.00018180574269192	
t Critical one-tail	1.657759285	
P(T<=t) two-tail	3.63611E-40	
t Critical two-tail	1.980099853	

Calculated (Val) = 0.00018180574269192

Table (Val) = 0.05

Calculated (Val) - 0.00018180574269192 < Table (Val) - 0.05

As the Cal (Val) < Tab (Val) we reject the Null Hypothesis H<sub>0</sub> and accept the Alternative Hypothesis H<sub>1</sub>.

Hence, we come to a conclusion that there is a decrease in the customer base of the kirana shops after the entry of the large supermarkets.

## **FINDINGS:**

- 1) 54 percent of the kirana shop owners are found to start the outlet on their own for the survival.
- 2) 52.5 percent of the kirana shop owners strongly believe that, grocery items should be offered in neat packing.
- 3) 26.6 percent of the kirana shop owners said that, window display may helps in attracting the customers.
- 4) 18.3 percent of the kirana shop owners said that, home delivery creates a positive sign towards the kirana shops.
- 5) The entire Kirana outlets in the vicinity of supermarkets experienced a decline in their sales and customer base with the entry of the super markets.
- 6) The kirana shops, which are old and little big in their business, have gradually seen improvement in their sales and profits when compared to the medium and small kirana shops.
- 7) The kirana shops, located in the high- class locality have seen the great decline in the sales and customer base.

## **SUGGESTIONS:**

1. It is advised to kirana shops to take measures to modernize the stores by giving facelift to their shops and add facilities like credit card machines and computerized billing.
2. Kirana shop owners should come together and should enter in to an agreement with the companies to offer sodexo passes and good coupons, so that they can avail these passes and coupons in kirana shops.
3. Looking at the retail boom government should take several measures, which will encourage both the Organized and Unorganized sectors to grow and have a healthy competition. Where both sectors co-exist so as to cater to needs of all kinds of financial class customers.

## **CONCLUSION**

Despite fears of retail chains forcing the kirana stores out of business, the study has found that both modern retail chains and traditional kirana stores have learnt to live together and even grow. It is observed in the study that there is an impact on the traditional retail sector due to the arrival of big retail outlets. To overcome these problems, kirana stores has to change their strategies. A Kirana store has to

come up with customized services like home delivery, credit facility, receiving orders over the phone, etc. Modernizing the store appeal, offering some specialized items (unique items), taking personal care of customers and age old Indian traditions may give oxygen to the survival of the kirana stores. For the daily requirements, kirana stores are still the best choice.

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# **MARKETING STRATEGY OF LIFE INSURANCE CORPORATION OF INDIA IN THE CONTEXT OF LIBERALIZATION**

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## **ABSTRACT**

Government made a paradigm shift in the economic policy by adopting the process of liberalization, privatization and globalization at the end of previous decade. IRDA was set up as regulatory body and private sector was allowed entry both in general and life insurance sector in India. Due to impact of private players came up with new and innovative marketing strategies. For the effective functioning of any service organization, a well planned marketing strategy is essential. In case of LIC also, consumer oriented marketing policy is essential to achieve its goal. But unfortunately the need for developing consumer based marketing approach was recognized in LIC at the late stage. The market share which the private companies were taking away from LIC was an eye opener for LIC who was once enjoying monopoly position in the market. The private companies were taking away the market share by bringing new and innovative products to suit the needs of customers, building a strong distribution network, strong advertisement and finding new markets for their products.

**Keywords:** liberalization, Privatization, LIC, strategies, Marketing, Product, Distribution Channel

## **INTRODUCTION**

Insurance is defined as a co-operative device to spread the loss caused by particular risk over a number of persons who are exposed to it and who agree to ensure themselves against that risk. Every risk involves the loss of one or other kind. The function of insurance is to spread the loss over a large number of persons who have agreed to co-operate each other at the time of loss. The risk cannot be averted but loss occurring due to certain risk can be distributed amongst the agreed persons. The insurance, as a social device to accumulate funds and to meet the uncertain losses arising through a certain risk to a person insured the risk. Life insurance in its modern form came to us from Europe and the USA. The first policy providing temporary life insurance cover for a period of twelvemonths was issued as early as 1583 A.D. in England. The Amicable Society started granting fluctuating sums

upon death of the insured since 1705, and a fixed sum since 1757. As mortality table yet not been developed, entering of life business tended to be gamble. With the development of mortality table, life assurance started acquiring a scientific character. The insurance principle comes to be more and more used and useful in modern affairs. Not only does it serve the ends of individuals, or of special groups of individual, it tends to pervade and to transform our modern social order too. Indian insurance industry despite being state owned is yet to make an impact on the economy. The spread of insurance in our country is very limited.

### **Life Insurance Corporation of India (LIC).**

Life Insurance Corporation of India is an Indian state-owned insurance group and investment company headquartered in Mumbai. It is the largest insurance company in India with an estimated asset value of INR1560481.84 crore (US\$260 billion).

As of 2013 it had total life fund of Rs.1433103.14 crore with total value of policies sold of 367.82 lakh that Year. The Company was founded in 1956 when the Parliament of India passed the Life Insurance of India Act that nationalized the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation

### **Liberalization:**

In general, liberalization refers to a relaxation of previous government restrictions, usually in such areas of social, political and economic policy. In some contexts this process or concept is often, but not always, referred to as deregulation.

Liberalized and privatized public services may be dominated by just a few big companies particularly in sectors with high capital costs, or high water, gas, or electricity costs. In some cases they may remain legal monopolies, at least for some segments of the market (like small consumers).

### **LITERATURE REVIEW**

While earlier studies on Life Insurance sector has altogether been a general study on overall view of LIC of India. It is relevant to refer briefly to the previous research studies in the related areas of the present study in order to avoid repetition and also to search out the different dimensions of the study. Among earlier studies, Kumar and Taneja (2004) highlighted the opportunities and challenges before life insurance industry in India due to liberalization, globalization and privatization. Bhattacharya (2005) advocated that can assurance provided the best opportunities to tap the large potential in rural and semi urban areas. He suggested that the insurers should focus on Single Premium policies, Unit Linked Insurance, Pension Market and Health

Insurance. Kumar (2005) highlighted that private insurance players introduced a large range of life insurance products and set brand promotion as a part of their new strategy. These new implemented strategies had flexibility and added benefits to suit the changing needs of the unsatisfied customers. Kulshrestha and Kulshrestha (2006) highlighted that demand for life insurance in rural India was expanding at the annual rate of 18 per cent as compared to 3.9 per cent in urban areas which provided good opportunity for life insurers to perform. Reenu (2011) have highlighted the different strategies in relation to 3Ps under life insurance market.

## **OBJECTIVES OF THE STUDY**

1. To present a profile of LIC in terms of its historical growth, organization structure and performance at all India level.
2. To examine product related strategies issues like product lines, new product development process, product life cycle and product performance.
3. To examine the quality of customer service provided to the policyholders.

### **Methodology:**

Source of the data: The paper is a conceptual analysis whose basic foundation comes from various secondary sources. The data is collected from annual reports of the IRDA, LIC, research articles in Journal, published and unpublished scholarly papers, and books, various international and local journals, speeches, newspapers and websites.

Period of the study: 2002-2013.

Limitation of the study: To in depth study the study is going to focus on LIC. Those there are many contemporary this study does not cover the opinions of the policy holders.

### **1. Origin and Historical Perspectives**

In 18th century there were lots of insurance companies established in India like, Oriental Life Insurance Company in Calcutta in 1818, Bombay Life Insurance Company in 1823, the Madras Equitable Life Insurance Society in 1829 and Oriental Governmental Life Insurance Company in 1874. For General Insurance and Non-Life Insurance, business also started from U.K. and other foreign companies through their agents in India. The first insurance company Tifton Insurance Co. Limited was established in Calcutta in 1850. Mainly the British held its shares. The first insurance company was set up by Indian for all classes of general insurance business were Indian Mercantile Insurance Company Limited in 1897. The Indian Life Assurance Companies Act was the first statutory measures to regulate life insurance business.



Later in 1928 the Indian Insurance.

Nationalization of Insurance Business became necessary with a view to:

1. Provide for cent percent security to policyholders.
2. Ensure the use of insurance funds for nation building activities.
3. Avoid wasteful efforts in competition.
4. Save the dividends paid to shareholders of insurance companies.
5. Avoid certain undesirable policies adopted by the management of some of the insurance companies.
6. Spread the gospel of life insurance into the neglected rural areas.

The Government in May 1971 took over the undertaking of all companies and General Insurance (Nationalization) Act 1972 came into force. Since 01.01.1973 a single holding company was created viz, General Insurance Corporations of India, for the purpose of superintending, controlling and carrying on the business of general insurance with four subsidiary companies like:

- 1) National Insurance Company Ltd,
- 2) The New India Assurance Company Ltd,
- 3) The Oriental Insurance Company Limited,
- 4) The United India Insurance Company Limited; to cover the all regions of the country.

## 2. Organizational Structure

Though there was considerable progress made by Indian insurance business in the pre-independence and earlier part of post independence period, life insurance business remained essentially an urban phenomenon. Though there was immense scope and opportunity for further spread of life insurance in the rural areas of the country.

### Products of LIC-Top Products

	Features
Jeevan Anand	This plan is a combination of Endowment Assurance and Whole Life plans. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the end of the selected term in case of his survival.

Jeevan Saral	This is an Endowment Assurance plan where the proposer has simply to choose the amount and mode of premium payment. The plan provides financial protection against death throughout the term of the plan. The death benefit is directly related to the premiums paid. The Maturity Sum Assured depends on the age at entry of the life to be assured and is payable on survival to the end of the policy term. It also offers the flexibility of term and a lot of liquidity.
Jeevan Mitra	This is an Endowment Assurance plan that provides greater financial protection against death throughout the term of plan. It pays the maturity amount on survival to the end of the policy term.
Jeevan Tarang	This is a with-profits whole of life plan which provides for annual survival benefit at a rate of 5½ % of the Sum Assured after the chosen Accumulation Period. The vested bonuses in a lump sum are payable on survival to the end of the Accumulation Period or on earlier death. Further, the Sum Assured, along with Loyalty Additions, if any, is payable on survival to age 100 years or on earlier death.

**Product and Pricing Decisions**

Regarding the inclusion of the provisions of medical benefits in the policies, almost all the respondents (98%) strongly favored introduction of this provision in LIC policies. All the customer groups express this opinion. With regard to the coverage of risk to the entire family by one policy, a great majority of the policyholders (89%) are in favor of introduction of this facility. In case of appropriateness of single premium policies it is observed that majority (74%) of the agents are favorable to the introduction of it regarding the fairness of premium rates, 61 percent of the policyholders felt that the premium rates are reasonable. However, considerable numbers of respondents are not satisfied with the present premium rates. The reasons for their dissatisfaction are: - There is no revision in premium rates since last few years, though the life expectations have significantly improved during this period. The premium rates of other similar organizations like Postal Life Insurance are lower than the rates fixed by LIC.18. Regarding appropriateness of policies offered it may be observed that a great majority of policyholders (84%) in all categories are satisfied with the policies chosen by them. The analysis of agents’ responses reveals that low returns on LIC policies and lack of plans designed for rural, agricultural and lower income groups. These are the main reasons for the dissatisfaction of policyholders about LIC plans.

**3. Customer Service**

1. On measuring the accessibility of agents by the policyholders on 5 point scale it is found that urban, literate, illiterate, and professional and managerial group,

regular income group and self employed groups felt that agent's are accessible sometimes whereas the rural and agricultural groups felt that agents are rarely available to them. Moreover, 87% of policyholders' expressed that during the post purchase period of policy, agents do not meet them frequently.

2. To remind about premium due dates by the agent a majority (68%) of the sample policyholders expressed that they are not reminded by the agent to pay premium before the due date.
3. 10% of the agents indicated that the branch location is not convenient to them. Most of these agents include rural agents. 87% of the policyholders expressed that they are receiving premium demand notices regularly.
4. The attributes less waiting time, personal interest, quick service, accurate service and prompt action on complaints are perceived to be the first five important service attributes in order of preference and the attributes – bonus, advertising, public relations range of services offered and rate of premium are perceived to be less important service attributes

#### **4. Promotion Decisions**

1. The field sales force of LIC mainly consists of Development Officers and the Agents. The Development Officers are concerned with the development of LIC business by planning and coordinating the work of the agents. The agent performs an important duty of selling LIC policies and serving the policyholders. At present the LIC has a strong sales force with 21,000 Development Officers and 13.4 lakhs active agents.
2. The main form of sales control on agents is sales quota in the form of minimum business to be secured and minimum number of lives to be covered in a year. However, the sales quota is only arbitrary and non-fulfillment of the quota is not taken very seriously by LIC.
3. The analysis of policyholders' motives in selecting the agent revealed that the relationship/friendship, advice, prompt service the pressure of agent are perceived to be the important motives in order of preference for choosing them.
4. The performance rating of agents by policyholders revealed that the services of agents are rated to be high before and at the time of offering the policy. But in the post purchase period, the performance is rated to be poor.
5. The analysis of policyholders' sources of information about LIC revealed that the agent is the main source of information, while sales promotion programmes

and advertisements are perceived as other important sources in order of preference.

### **5. Impact of liberalization of LIC of India.**

After the formation of IRDA, private players started entering the life insurance industry in India. Every life insurance company, private as well as public, offers variety of products to the need and demand of the customers. Among all the players, LIC has the largest agency force of 13 lakhs agents followed by ICICI Prudential 0.46 lakhs agents, Allianz Bajaj 0.36 lakhs. The impact of privatization on the performance of LIC covers a period of 2001-02 to 2007-08 has been evaluated on the basis of the following parameters: The insurance industry has been growing between 15 to 20 percent and it large far behind its global counterparts. Thus the responses from the respondents about the general problem of insurance industry are as follows:

- a. Insurance companies create products and out to finds customers. They do not create products that the market wants.
- b. Insurance awareness among the general public is low.
- c. Term insurance plan are not promoted.
- d. Unit-linked assurance is not available.
- e. Insurance covers are expensive. Inefficient management and low investment yield are responsible for high premium charged by Indian insurance companies.
- f. Returns from insurance products are low.
- g. There is a dearth of innovative and buyer-friendly insurance products.
- h. Most agents and development officers are interested only in producing new business; servicing existing customers satisfactorily has not been a priority for them. The obvious reason to this is that incentives are based on new business generation and not on satisfactory serving of existing customers. It is surprising to note that more than 10% of LIC policies are surrendered or get lapsed every year.

### **CONCLUSION**

The analysis of productivity growth also reflected improvement in different dimensions. However, the market share of LIC has decreased after the entry of private players, which indicates that LIC has to change its strategies to meet the challenges. Even when LIC is better placed in terms of the confidence of the buyers but more emphasis has to be laid on marketing so that private players are not able to make a dent in its market and lure away the prospective buyers. Every life insurance

company, private as well as public, offers variety of products to the need and demand of the customers. The analysis of policy holders' sources of information about LIC revealed that the agent is the main source of information, while sales promotion programmes and advertisements are perceived as other important sources in order of preference. Public services need to be dominated by just a few big companies particularly in sectors with high capital costs, or high water, gas, or electricity costs. Private insurance players introduced a large range of life insurance products and set brand promotion as a part of their new strategy. These new implemented strategies need to be flexibility and added benefits to suit the changing needs of the unsatisfied customers.

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## **PERSONAL AND FAMILY RELATED FACTORS AFFECTING WORK LIFE BALANCE AMONG WOMEN EMPLOYEES IN IT SECTOR – AN ANALYSIS**

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### **INTRODUCTION:**

The Work Life Balance has become a major challenge in the contemporary business world due to changes- both at the work place and at the family front. In the world of severe competition and need to reduce costs and raise performance to increase productivity by the corporate world, resulting in the long hours culture and 24/7 lifestyle has come to dominate the lives of highly educated and skilled professionals. The lure for lucrative salaries, a promise of ambitious careers on the employees' front is adding much to the problem. It was believed that the new technology would shorten the working hours and brings respite and leisure, to the employees, but instead of bringing relief and leisure the technology has left the employees especially professionals with little free time for family. In fact, technology has blurred the line separating office from home and now the employees are expected to be available for office work, even while at home, because of the IT network facilities. Thus, the work has become more taxing and burdensome. These pressure demands of the work, reflected in long hours, more exhaustion is leaving little quality time for the family. This imbalance is creating problems to the employees, the organisations and the society. Due to rapidly changing business environment, the organisations are not able to provide secured employment and as a result of which the attitudes and the values towards work are also undergoing changes. The employees are less willing to display unconditional commitment to the organisation and are intending to leave the organisations.

Work Life Balance is a state of equilibrium in which the demand of both professional and personal life is equal. Each role having different sets of demands and when such role demands overlap, multiple problems crop up. In the real life situation,

the work and life interact and overlap. A balanced life is one where one spread his/her energy and effort between these two key areas. Work Life Balance is the effective management of the responsibilities of an individual both at work and at home. The WLB offers benefits to the employees, employers and the society, in general. Employees tend to be loyal and committed to the organisation and give their best in achieving the organizational goals when their individual needs are taken care of. On the other hand, employer also reap the benefits in the form of highly motivated more productive and less stressed workforce. Such caring attitude by the employers attracts the talented workforce, thus, leading to reduced, absenteeism turnover and increased productivity and well being of the society. Employees also will be happier at work and at home. A greater sense of responsibility devolves on them and they develop a sense of ownership, better relations with the management, better health, non-spill-over of household problems to the work place and vice-versa. They behave in a matured manner in their life and career and live a contented life. Thus, the need to achieve a better work life balance has been a pressing concern of the thinkers, managers and employees in the contemporary business environment.

India makes a stronger case for Work life balance given that the boom in the economy is a more recent phenomenon which puts the work force in greater stress than in developed nations. Further, India is a service destination for numerous global business firms due to the availability of cheap labour, many of who are required to work in night shifts. Most Indian IT professionals find it difficult to cope with the stress levels. Increasing work pressures and the rising need to travel for work are potential contributors to a new, mounting stress placed on corporate executives.

Keeping the gender apart and generally speaking, senior level employees face the maximum stress and pressure in the Indian industry. In a recent research conducted by the ASSOCHAM<sup>1</sup> (Associated Chambers of Commerce and Industry of India) on job satisfaction levels, a majority of senior employees in both private and public sectors complained of high tensions, heavy workloads and long working hours. Besides, around 85 per cent of respondents in BPOs and call centres, engineering and construction companies, stock markets, textile and garment manufacturing units, export houses, retail malls and multiplexes, hotels and transport companies said they were dissatisfied with their jobs mainly due to work life balance issues. Most of them work for more than 60 hours a week, as compared to the 40 – 48 hour norm in Europe and the US.

When Work life balance is not maintained, a person begins to experience sense of emptiness and hollowness which is difficult to deal with. In addition, relationships take a beating and the person begins to experience loneliness, depression, despair

and cynicism. A survey on career couples by Team Lease2 shows that 54 per cent of the respondents felt they were merely a weekend parents. In addition, 34 per cent of the working couples surveyed felt that since there were two careers the chances of a divorce were high. Moreover, most participants agreed that working in odd shift hours had a bearing on their marital relationships. The work life balance is also essential for the professional growth of a person. Research has found that a healthy balance increases the individual's professional productivity due to a sense of greater self-confidence, it helps in the availability to communicate effectively and it boosts morale achieving organisational goal as well.

Thus, WLB has emerged as a strategic issue for HRM and a key element of an organization's employee retention strategies. Organizations need to be aware of the changing needs of employees and provide flexible WLB strategies in order to retain their employees. Organizations that seek to increase employee morale, commitment and satisfaction, and reduce sources of stress and problems at work, will improve their ability to recruit and retain talented and valued employees. The introduction of WLB strategies will be effective in reducing work/family conflict and will improve employees' job satisfaction.

### **Work Life Balance – Concept and Definition**

“WLB is about people having a measure of control over when, where and how they work”. This balance is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as a norm, to the mutual benefit of the individual, business and society.

Now, an attempt is made to define the term 'Work life balance' as it is evolving over a period of time reflecting its focus on different contextual issues. In simple terminology, “Work life balance refers to a meaningful achievement and enjoyment in everyday life.” It is the measure of control one has over his/her time and work resulting in harmonious relationship between personal fulfilment and professional achievement thus leading to better organisational performance.

Work Life Balance refers to the effective management of multiple responsibilities by an individual both at work, at home. The Work Life Balance impacts both the organisation and employee. In the changed environment of globalization and heavy competition, organization are hard pressed for higher productivity on one hand, and improved work-life balance of employee, on the other, because better Work Life Balance will contribute more meaningfully towards the organizational growth and success, (Naithani, 2010)<sup>3</sup>. This issue has come to the fore due to multitude of changes in the work place, in employee demographics and in the family sphere.



On the basis of various theories of work life balance/work family conflict and various conceptual models presented above, it can be concluded that multiple factors related to individual, work and family affect the work life balance of an individual. Some of the major individual related factors include work orientation, gender age, life and career stage, personality. Work related factors include role ambiguity, role conflict, and number of hours worked, work schedule flexibility, task autonomy. Family related factors include number of children, spouse support, family involvement, etc. Work life balance results in a number of benefits to the individual and organization which include personal satisfaction and well being, job satisfaction, productivity. On the other hand, the lack of work life balance results in negative consequences in terms of work distress, job dissatisfaction, absenteeism and high turnover.

A dominant force in drawing attention to work and family balance has been the increase in both the number and the proportion of women in the work place over the past twenty-five years. The number of women entering the work force has steadily increased and in a 2012 survey by the Families and Work Institute<sup>4</sup>, the percentage of women was nearly equal to men: 51 per cent male, 49 per cent female. Over the same period, a dramatic shift has occurred with regard to of males in dual-earner households. 51 per cent of fathers were the sole wage earners in 1977 while in 2012 that percentage dropped to 33 per cent. Beginning in the 1970s divorce rates have increased and currently among employed parents, 20 per cent are single parents while 80 per cent live as couples. With additional women in the work force, there has been an increased concern in families about child care and elder care.

Striking a good work life balance is much more important for women than men. A new global research by Accenture<sup>5</sup>, a consulting firm, found that around 70% of female respondents in India said that the WLB was key to their “Definition of success”, their career while only 40% of men felt that. The study also found that the difficulty of balancing life and work is a key reason why women in India leave their jobs. While 25% of Indian men surveyed said that they quit the jobs because of long or inflexible working hours, for women that figure was 48% women have a number of roles to play throughout their life. Work life conflict occurs when time and energy demands imposed by divorce roles cannot be efficiently meet; participation in one role is made increasingly difficult by participation in another.

### **Role and Importance of IT Industry in India**

The Indian economy has witnessed a remarkable growth and transformation during the last two decades and IT has played a very vital role in this process, IT industry has been one of the hotshots of Indian economy. The sector has not only played a critical role in restructuring of the economy but also in making India as one of the

major exporters of services in the world. The growth and development of the sector has wedged the attention of the world market. India is now being identified as the major powerhouse for incremental development of computer software. The reason for this world interest is not the actual size of the industry but its rapid growth rate during last two decades (Chakraborty and Dutta 2006).

The phenomenal growth of the IT industry during last two decades and the emergence of the country as a top outsourcing destination in the world have made India one among the top IT nations. Due to rapid development in the sector many scholars have described this as a leapfrog development for the country (Mathur 2006)<sup>6</sup>. The sector has increasingly contributed to the national economy, employment generation and export earnings. The IT industry has increasingly played a vital role in transformation of the Indian economy. The industry has been growing at significantly higher rate than the average GDP. It has witnessed a rapid growth for more than last one decade.

The industry has grown at a CAGR of around 24 percent during 2001-09, which has substantially been higher than any other major sector of the economy. The IT industry has not only grown at a much higher rate than the overall GDP but except during the year 2002 and 2009, the growth rate has been above 20 percent annually. Although the global financial crisis in 2008-09 impacted the industry and the annual growth rate in 2009 slowed down compared to 2008, it maintained a positive growth rate of above 10 percent in 2009. In 2010 the industry is expected to grow by 5-4 percent, which is lower than the estimated GDP growth for the same year.

TCS is country's largest IT Company and tops the BT 500 ranking based on its market performance. Further, 1 lakh strong women work force of TCS holds the company in highest steam – its gender diversity and goodwill making it the country's biggest employer of women in the private sector. Women now comprise one-third of the IT major's 3.06 lakh work force. This makes TCS also valued company in India, one of the top employers of women in the technology sector globally. The top slot is held by IBM which has an estimated 1.3 lakh women out of total work force of 4.31 lakh. In terms of market cap, the next two players in the domestic IT market are Infosys with 54537 women employees and Wipro with 45000 employees. The IT and BPO sector collectively employees about 3.1 million of which nearly 1 million are women. Within TCS, a major chunk – over 40% of its women employees are either new recruits or at junior levels, while about 11% are in the senior management.

Infosys limited is a global leader in the 'next generation' of IT with revenues of \$6.35 billion. It provides a complete range of services by leveraging the domain and

business expertise and strategic alliances with leading technology providers. Infosys has global presence through its 50 offices and development centres spread across India, China, Australia, Canada, UK, and Japan etc. Infosys employed more than 1, 33,000 employees. It is a second largest IT player in India in terms of number of employees and revenues. Infosys ranked among the top 50 most respected companies of the world.

Further, only 12-13 percent of the senior management roles in TCS are occupied by women, though 33 percent of the company's 3,35,000 workforce are women. When there are 33 percent women at the company level; there is no reason why not to have 33 percent women at senior most levels."

Therefore, the present study of Work life balance and Job satisfaction of Women employees of these two IT giants of India viz. TCS and Infosys becomes a contemporary relevant topic.

### **Review of literature:**

Now, an attempt is made to make a review of the literature available, ranging from broader issues like women studies to specific issues like Work life balance and job satisfaction of women employees.

The studies conducted by Ross (1961), Cormack (1961)<sup>7</sup> and Dube (1963)<sup>8</sup> reveal that one of the main reasons of marital conflicts among educated working women is basically the pattern of family which continues to be traditional and male dominated.

Mehta (1970) in her study "the Western Educated Hindu Women" examines the impact of western education and alien influences on Indian society. This study shows that because of the emergence of new values there is awareness among Indian women that the past must be harmonised with the present.

Research findings of the study by Chatterjee (1970)<sup>9</sup> are: (1) Children of working mothers are more talented than the children of non-working mothers. (2) Children of working mothers are less vulnerable to nervous disorders than the children of other group. (3) Employment of mothers makes their children more alert, more aware and more observant than the children of unemployed mothers, etc.

The study conducted by Srivastava (1972)<sup>10</sup> on "Employment of Educated Married Women: Its Causes and Consequences with reference to Chandigarh" examines the changing attitudes of educated married women. This study finds that working

women develop a sense of guilt. This is mainly due to the realisation of the fact that proper and all round development of children need constant attention and physical presence of mothers. This study provides evidences to prove .that working women have relatively more liberal and permissive attitude towards their children than non working mothers.

Mathur (1992)<sup>11</sup> in her study “Women, Family and Work” examines the motivational factors for women’s employment and the problems of role conflict. The ways in which employed women can strike a balance between their dual roles are also looked into. This study finds that supplementing family income is the most important motive for women, to work; other important reasons for women’s employment in order of preference are: social affiliation; enhancing esteem; having security and achieving self-fulfilment: As this study reports the decision to take up a remunerative job is a function of women’s ability to balance their dual roles. Hence, their success depends on’ how better they please their husbands and other family members with dual roles. This study further reveals that working women face problems more or less due to dual roles depending on the extent to which they participate in these roles.

The above review of literature reveals that there have been a few studies on women and their problems, in general but only a very few on their employment and work life balance. The present article moderately attempts to study a gap in the existing literature and throws light on further areas of research in the field. Further, no research study has covered intensively the impact of Work Life Balance on Job satisfaction, particularly, of women employees in IT sector (which is of recent origin in Indian environment). Hence, the present study becomes relevant.

### **OBJECTIVES OF THE STUDY:**

In the above backdrop, an attempt is made in the present research article to investigate into work life balance of women employees of select IT organizations viz., Tata Consultancy Services (TCS) and Infosys- the two leading IT companies of the country and suggest measures for improvement of their Wok Life Balance. The specific objectives of the study include:-

- 1) To study work life balance of women employees with special reference to IT industry, in India, in an overall manner.
- 2) To analyse personal and family related factors affecting work life balance of women employees of select IT companies.
- 3) To suggest measures for improving the work life balance among women employees in the light of the findings of the study.

## **Database and Methodology**

The present study is based on primary and secondary data. The relevant secondary data is collected from various libraries while relying on annual reports, manuals, books, periodicals, documents, reports, statistical abstracts, websites and Google searches.

The relevant primary data is collected with the help of a structured questionnaire which was partly open-ended. The questionnaire consisted of questions on individual, family related, organisational practices and Job satisfaction. The questionnaire was pre-tested before the field work. Interview technique was adopted to collect the primary data from the respondents. Employed women respondents are classified into three categories; a) Top level; b) Middle Level and c) Junior Level women employees. Information collected through interviews was tabulated to quantify the same by classifying it accordingly to the nature of answers given by the sample respondents. Responses were codified and presented in tables accordingly. Quantitative analysis was done by grouping the data in terms of study variables such as employment status, income level and age of the respondents, etc. A non-participant observation method was also adopted and on the spot expressions was noted down to supplement the primary data, which in turn helped the researcher to correct explanations. A two stage sampling method is used in the present study. In the first stage, two IT majors -- TCS and Infosys from among the several IT companies are selected for the study. In the second stage, with regard to selection of sample women, all the married women employees working in TCS and Infosys at Hyderabad formed the universe of the present study. A total sample of 433 women employees consisting of 283 from TCS and 150 from Infosys were selected for the present study.

## **Tools of Analysis:**

For the purpose of analyzing the data, mathematical techniques like Ratios and percentages are used. Likert 5 point attitudinal scaling technique is used to identify individual, family related, organisational WLB practices and job satisfaction of women employees. Descriptive statistics such as mean, standard deviation etc. are used. Analytical statistics such as ANOVA, correlation, regression etc. are also used to study the impact of individual family related, organisational practices on the work life balance of women employees and finally on their Job satisfaction.

## **Finding of the Study:**

Now, an attempt is made to find out the differences in the opinions of women employee- respondents across a select set of demographics such as age, income, education, cadre experience, organization, etc. with the help of ANOVA Test.

The select demographics of the respondent women employees of the two companies is given below:

1	Company Name	TCS	Infosys				
2	Age	22 -28	28-35	35 -45	45 and above		
3	Monthly emoluments	<40k	40- 60k	60- 1lk	Above 1 lakh		
4	Education	B. Tech	M.Tech	MCA	MBA	Others	
B- Family Profile							
5	Type of Family	Joint		Nuclear		Single	
6	Occupation of Family	Employee		Business		Professional	
7	Children Age in years	No	<2	2– 5	5 -10	10-15	> 15
8	Seniors Age	Below 45 yrs		45 to 58 yrs		58 and above	

The ANOVAs were conducted to understand if Work Life Balance differ by individual orientation and domestic related factors and to determine if a relationship exists between work life balance. As Shavelson (1996) stated, “The one-way ANOVA is used to analyze data from designs with one independent variable that produces two or more groups of subjects”. He explained the purpose of the one-way. ANOVA is to be compared with the means of two or more groups to decide if the observed difference between the variables occurred by chance or by some sort of a systematic effect. Comparing the variability of scores within a group with the variability between the group means and differences. If the variability between groups is greater than the Variability within groups, the result is an evidence of a significant group difference. For every demographic character null hypothesis is formulated and tested, followed by results and interpretation.

**Age and Work-Life Balance of Women Employees**

Ho : There is no significant difference between the work life balance of the women employees across different ages.

Table – 1  
Age and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	df	Mean Square	F	
Age	Between Groups	37.822	29	1.304	3.461	5
	Within Groups	151.864	403	.377		
	Total	189.686	432			

Source: Compiled from Questionnaire Data

## Results

- The results are given in three rows
- The first row gives the work life balance variability due to the age of the employees
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 1, F-value is 3.461 and the corresponding p-value is <0.000

## Conclusion

Therefore, null Hypothesis is rejected. Hence, it can be concluded that the average work life balance of the sample women employees is not the same across all age groups.

## Education and Work-Life Balance of Women Employees

Work-Life Balance Across Qualifications of Sample Women Employees

Ho : There is no significant difference between the work life balance of the women employees across different Educational Qualifications.

Table – 2  
Education and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	f	Mean Square	F	Sig.
Education	Between Groups	63.929	29	2.204	1.923	5%
	Within Groups	462.043	403	1.147		
	Total	525.972	432			

Source: Compiled from Questionnaire Data

## Results

- The results are given in three rows
- The first row gives the work life balance variability due to the Educational Qualifications of the employees
- The second row labelled as within groups gives the work life balance variability due to the random error.

- The Third row gives total variability.
- Table 2, F-value is 1.923 and the corresponding p-value is <0.000 Hence, it is significant. Therefore, null Hypothesis is rejected. Hence, it can be concluded that the average work life balance of the sample women employees is not the same across employees with different qualifications.

**Occupational Background and Work-Life Balance of Women Employees**

Ho : There is no significant difference between the work life balance of the women employees from different family back ground

Table – 3  
Occupational Background and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Occupational Background	Between Groups	46.985	29	1.620	2.692	.000
	Within Groups	242.535	403	.602		
	Total	289.520	432			

Source: Compiled from Questionnaire Data

**Results**

The results are given in three rows

- The first row gives the work life balance variability due to occupational background of women employees.
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 3 is F-value is 2.692 and the corresponding p-value is <0.000 Hence, it is results are given in three rows. Hence it is significant. Therefore, null Hypothesis is rejected. Hence, it can be concluded that the average work life balance of the sample women employees is not the same across employees with different family background.



## Goals of Education and Work-Life Balance of Women Employees

H0: There is no significant difference between the work life balances of the employees having different goals.

Table – 4  
Goals of Education and Work-Life Balance of Women Employees

### ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Family Background	Between Groups	70.848	29	2.443	2.601	.000
	Within Groups	378.473	403	.939		
	Total	449.32	432			

Source: Compiled from Questionnaire Data

## Results

- The results are given in three rows
- The first row gives the work life balance variability due to from different family back ground
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability
- Table 4 F-value is 2.601 and the corresponding p-value is <0.000 Hence, it is significant.

Therefore, null Hypothesis is rejected. Hence, it can be concluded that the average work life balance of the sample women employees is not the same across employees with different family background.

## Cadre and Work-Life Balance of Women Employees

Ho : There is no significant difference between the work life balances of the employees across different levels in the organizations.

Table – 5  
Cadre and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Family Background	Between Groups	132.117	30	4.404	7.728	.000
	Within Groups	243.865	403	.605		
	Total	375.982	433			

Source: Compiled from Questionnaire Data

**Results**

- The results are given in three rows
- The first row gives the work life balance variability due to from different family back ground
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability
- Table 5, F-value is 7.278 and the corresponding p-value is <0.000 Hence, it is significant. Therefore, the null Hypothesis is rejected and it can be concluded that the Average Work Life balance of Women employees is not the same across employees of different levels.

**Experience and Work-Life Balance of Women Employees**

H0: There is no significant difference between the work life balances of the women employees with different years of experience.

Table – 6  
Experience and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Profession Experience	Between Groups	26.160	29	.902	2.443	.000
	Within Groups	148.819	403	.369		
	Total	174.979	432			

Source: Compiled from Questionnaire Data

## Results

- The results are given in three rows
- The first row gives the work life balance variability due to the experience of the employees
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 6, F-value is 2.443 and the corresponding p-value is <0.000 Hence, it is significant. Therefore, the null Hypothesis is rejected and concluded that the Average work balance of the women employees is not the same across different years of experience.

## Monthly Emoluments and Work-Life Balance of Women Employees

- H0: There is no significant difference between the work life balances of the women employees drawing different salaries.

Table – 7  
Monthly Emoluments and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Salary CTC	Between Groups	57.225	29	1.973	2.645	.000
	Within Groups	300.604	403	.746		
	Total	357.829	432			

Source: Compiled from Questionnaire Data

## Results

- The results are given in three rows
- The first row gives the work life balance variability due to the salaries of the employees
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 7, F-value is 2.645 and the corresponding p-value is <0.000 Hence, it is significant. Therefore, the null Hypothesis is rejected and concluded that

the Average work balance of the women employees is not the same across employees drawing different salaries.

**Nature of Family and Work-Life Balance of Women Employees**

H0: There is no significant difference between the work life balance of women employees across different type of family.

Table – 8  
Nature of Family and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Nature of family	Between Groups	7.654	29	.264	1.938	.003
	Within Groups	54.886	403	.136		
	Total	62.540	432			

Source: Compiled from Questionnaire Data

**Results**

- The results are given in three rows
- The first row gives the work life balance variability due to different types of family
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 8, F-value is 1.938 and the corresponding p-value is <0.005 Hence, it is significant. The null Hypothesis is rejected and conclude that the Average work balance of the women employees is different across different types of family.

**Age of Dependants and Work-Life Balance of Women Employees**

H0: There is no significant difference between the work life balances of the employees with responsibility towards senior dependents of different ages.

Table – 9  
Age of Dependants and Work-Life Balance of Women Employees  
ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Age of dependents	Between Groups	26.484	29	.913	3.267	.000
	Within Groups	112.638	403	.279		
	Total	139.122	432			

Source: Compiled from Questionnaire Data

## Results

- The results are given in three rows
- The first row gives the work life balance variability due to the responsibility towards senior dependents of different ages.
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 9, F-value is 3.461 and the corresponding p-value is <0.000 Hence, it is significant. Therefore, the null Hypothesis is rejected and concluded that the Average work balance of the women employees is different for the employees having responsibility towards senior dependents of different ages.

## Work-Life Balance of Women Employees of Select Organizations

H0: There is no significant difference between the work life balance of women employees across two select companies

Table – 10  
Work-Life Balance of Women Employees of Select Organizations  
ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Organ-ization	Between Groups	9.019	29	.311	1.408	.081
	Within Groups	89.018	403	.221		
	Total	98.037	432			

Source: Compiled from Questionnaire Data

**Results**

- The results are given in three rows
- The first row gives the work life balance variability due to the organization of the employees
- The second row labelled within groups gives the work life balance variability due to the random error.
- The Third row gives total variability.
- Table 10, F-value is 1.408 and the corresponding p-value is <0.08 which is greater than 0.05.

**CONCLUSION**

Therefore, Hypothesis is accepted and concluded that the Average work life balance of the women employee is almost the same across the two select IT companies, viz. TCS and Infosys. Very interestingly, there is no difference of Work-Life balance among the women employees of both the organizations. This is because, both the IT companies are major players in the IT sector of Telangana state and India. In the process of competing, each other and to attract the talents and retain them, both the companies have formulated very good and almost similar work life balance practices.

**Correlation between Women Employees Orientation and their Work-Life Balance**

Having tested the differences between the work life balance and individual related demographic factors with the help of ANOVA test in the preceding paras, now, an attempt is made to investigate the relationship between women employees orientation and their work life balance with the help of correlation analysis:

Table – 11

Correlation between Women Employees Orientation and their Work-Life Balance

		WLB Score	Emp Orientation
WLB Score	Pearson Correlation	1	.349**
	Sig. (2-tailed)		0.000
	N	433	433
Emp Orientation	Pearson Correlation	.349**	1
	Sig. (2-tailed)	0	

	N	433	433
	Sig. (2-tailed)	0	0.002
	N	433	433

Source: Compiled from Questionnaire Data

## ANALYSIS

In each cell of the correlation matrix, Pearson's correlation coefficient, p- value for two tailed test of significance and the sample size is calculated.

H0 : There is no correlation between women employees Orientation and their work life balance.

From the output, it can be seen that the correlation coefficient between women employees Orientation and work life balance is .349\*\* and the p value for two tail test is .002 which is less than 0.005 at 0.01 level of significance.

From this, it can be concluded that there is a positive correlation between work life balance and women employees orientation at significant level of 0.01. Therefore, null hypothesis is rejected and alternative hypothesis is accepted.

## SUGGESTIONS:

The following suggestions are offered for improving the work life balance of women employees as their personal and family related factors have larger impact, as follows, in the light of the above findings:

1. As regards finding the time for family and social life, depends on how each individual manages her or his time. If one finishes the work within the office hours, there will always be time for other engagements. The employees need to realize that they need to balance work and life for both success at the workplace and a fulfilled life. Organizations can only facilitate, but the initiative should be taken by the employee. Attaining a better work life balance by utilizing mobility and technology in daily work schedules is the need of the hour. Technology like Blackberry increases professional agility by allowing the freedom to work anytime and from anywhere. Many organizations today have implemented intranets, virtual private networks and other knowledge management systems, these technologies must be used by employees to stay in touch even if it means they have to work from home for non-work related purposes such as tending to a sick child or parents.
2. There is no "one size fits all solution" to the issue of work-life balance. The data

from this study show quite clearly that different policies, practices and strategies will be needed to reduce each of the four components of work-life conflict: role overload, work to family and family to work interference and caregiver strain. The solution will also vary depending on lifecycle stage, career stage, job type, sector, gender, generation, and diversity group.

3. Real pressure to offer unique and relevant family-friendly measures is being faced by local Indian companies in the IT and Business Process Outsourcing (BPO) sectors. The rapid growth of these sectors during the last decade has resulted in the employment of young women in large numbers with long work hours. In their early years these companies tended to imitate Western work-life practices in form but not in spirit. Today their motivation behind offering work-life programs is a genuine desire to reduce stress and retain talented employees. One local BPO firm near New Delhi acted on an employee's suggestion that mothers would like to see their children being cared for in on-site day care centers by building glass wall for the day care center and providing electric outlets on the other side of the wall, where women can work while feeling close to their children.
4. The Tata Group has a culture of investing in several communicating development programs that have the theme of women's empowerment. In the Tata Motors plant at Pune there are several cooperatives managed and run by the wives of company employees. These cooperatives, called grihini udyogs, provide the company with a variety of products ranging from cables for vehicles to chapatti (Indian bread) for its cafeteria. The cooperatives provide extra income for employees and their families. The women are paid the government prescribed minimum wage and they also receive all statutory benefits. Most of the cooperatives' products are sold to Tata Motors, though some – like pickles, condiments and bags are also sold in the open market.
5. a) Women employees should be provided with the option of flexible working hours. b) Married mothers should be provided the part time facility if they require so and should be encouraged to join back after the maternity leave. c) Women employees should have the flexibility of moving from the office for the purpose of nursing as it's already provided in the maternity benefit act. d) Women employees should be encouraged to attend various training and development programs after the maternity leave to brush up their skills. e) Crèche facility with excellent food and lodging should be provided in the premises of the workplace. f) Women employees should be given in house and out house training programs them the field demonstration with sales managers. g) Product and process training should be the major focus for the Women employees.



6. A worldwide online survey conducted by Fast Company-Roper Starch of 1096 college-educated, employed adults in the American society throws up interesting and fascinating results as following a large majority of respondents believed that balance is a matter of personal choice reflecting the individual's mental frame and preferences. About 87% said that people who want to achieve a balance in their lives can do so – if they're willing to make certain trade-offs. Evaluating where they are in their own lives, a surprisingly 60% of the respondents said that they are able to manage the demands of both their work life and their private life.
7. Certain modern techniques like Yoga, Instrumental activities should be included in organization WLB practices to reduce the job stress.
8. Companies should have formal counseling department to understand the workers work life balance problems and to help the workers to get the solution. Initiating and engaging discussion with workers using social media to understand their work life balance needs and aspirations will improve Job satisfaction. Employees' social gathering programs and public contact programs will be the better option to reduce the mental pressure in the work place.

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## **PLASTIC MONEY AND DIGITAL ECONOMY POSSIBILITIES: CHALLENGES AND OPPORTUNITIES**

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### **ABSTRACT**

Declaration of 86 percent of currency notes as illegal tender in just a blink of time on 8th day of November 2016 mandated the creation of interruption in daily lives. It is one of the big steps initiated by the government in addressing the various issues like black money, counterfeit currency, corruption, terrorism etc. Apart from these issues, one of the main aims of the government is to transform the parallel economy in to digital economy. Even though the withdrawal of rupees 1000 and rupees 500 notes from circulation has disturbed the normal life of people it is expected to help the economy to move to digitalization as people will more depend on plastic money, net banking, e-wallets , m-wallets etc Demonetization has made many states in the country to go for digital banking. As India takes a step towards cashless society, this article has made an attempt to analyze the problems and challenges faced by the customers and banks after demonetization by focusing specially on plastic money and also the opportunities available to customers with the use of plastic money like tax benefits to customers and merchants, cash back offers, etc. The study is more focused on common people on how the plastic money has helped them to manage the situation of demonetization and till what extend they helped to transform the economy to digitalization.

**Key words:** Demonetization, Black money, Plastic money, Digitalization.

### **INTRODUCTION**

The Indian economy is the world's fourth largest economy with more than 1.2 billion people and the sixth largest economy in the world measured by nominal GDP and the third largest by purchasing power parity. Its recent growth and development has been one of the most significant achievements of all times. The country has brought

out tremendous revolution in agriculture and other sectors which has transformed the nation from chronic dependent country over the six and half decades since independence. At one side Indian economy is developed in all sectors and on the other side Indian economy stands badly shattered because of illegally possessed money called black money. It has given rise to parallel economy operating within the country. The gap between the haves and have not is widening day by day.

In the history of Independent India, the government at various times in order to curb black money in the country announced some voluntary disclosure schemes but it went unnoticed. Suddenly on 08th of November 2016 Prime Minister of our country announced a decision on India's first major "Currency vasectomy" and amid the result in cash squeeze coming as a disruptive step to fast forward the country into a breakaway economy. Major aim of demonetization is making India "Cashless society and to weed out the stocks of black money out of the economy.

Demonetization is a process by which a series of currency will not be a legal tender. The series of currency will not be acceptable as a valid currency. In the same way Rs. 500 Rs 1000 will not be acceptable as a valid currency. The sudden move to demonetize these currencies has paralyzed the economy to a certain extent. It has caused many difficulties for the common people because of insufficient availability of new currency notes. People have to make long queues in front of banks as well as ATM counters which are yet to be upgraded. This has made them to shift from paper money to plastic money, wallet money etc.

Wallets and plastic money were an option earlier but they have become a need now. As on March 2016 there were around 20 million credit card holders and around 662 million debit card holders in the country. Yet in India, 95% of transactions were made in cash which shows there is a huge potential to tap. But with demonetization, the trend of cashless transaction has increased. The government's encouragement to use plastic money is evident from its decision to bear the transaction cost for all payments made through plastic money. By limiting money circulation in economy, the interest rates are expected to come down which will fuel the country's economic growth so that there will be an increase in use of plastic money.

Apart from curbing the black money, one of the objectives is to make India a digital economy. A digital economy is an economy that is based on digital computing technologies. It is also sometimes called the internet economy, the new economy, or web economy. People are reluctant to try on new things unless it is made mandatory. Thus, the demonetization has led the larger number of individuals to lessen their dependence on cash transaction and resort to digital payments. The year after year

growth rate of registered internet users in India stands at an impressive increase which means there is an increase in use of digital technology and banking.

Though the transition to digital economy will be slow, it is in the path of becoming a digitalized economy where demonetization played a crucial role.

The study was conducted mainly to know the challenges faced by banking sector after demonetization and what are the opportunities available to consumers in digital economy with special focus to plastic money

### **History of Demonetization**

Demonetization is not new to India as well as outside India. Governments of various countries across the world have decided to ban currency notes in circulation making large amounts of cash useless overnight due to various reasons. This is due to fighting black money, to stop terror activities etc. Many countries have also adopted demonetization to overcome inflation, to bring economic stability etc. The countries which went for demonetization other than India are Zimbabwe, Russia, Myanmar, Australia, Ghana, Nigeria, Zaire, Pakistan and North Korea.

The highest demonetization note ever printed by RBI was Rupees 10000 note in 1938 and again in 1954. But these notes were demonetized in January 1946 and in January 1978 respectively according to RBI. There were rupees 10000, 5000, 1000 notes in circulation and were demonetized in January 1978. The rupees 1000 note was again reintroduced in November 2000 and Rs. 500 note came into circulation in October 1987. Every time the demonetization was suggested by the government as a measure to unearth and counter the spread of black money from within and outside India.

### **REVIEW OF LITERATURE**

1. Sandeep Kaur (2016) in his article "Demonetization and its impact in India" says Demonetization is a historical move by the government and this decision will definitely fetch results in long term. This move can lead to improved tax compliance better fiscal balance, lower inflation, and corruption and eliminates fake currency for sustained economic growth in the longer term
2. Deepthi Mary Mathew (2016) in the paper "Demonetization: A Positive step towards a less cash society" says that the Demonetization of higher denomination notes should be considered as a constructive step by the government to push the country towards a cash less society. This can also act as an impetus for various government initiatives schemes such as financial inclusion and digital India.

3. Virendra Pandit (2016) in his article “India skip plastic money, leapfrogs into mobile wallet payments” says that India has virtually jumped the intermediate stages- cordless telephones and plastic money of this technological revolution and quantum jumped into cellular telephony and digital banking transaction
4. Dr. Ambikasinha and Divya Rai (2017) in the paper “Aftermath of demonetization on rural population” says that the effect of change are emergent from the system itself and cannot be determined beforehand. Hence we can only speculate future macro economics factors of Demonetization.
5. Anil I Ramdurg and Dr. Basavaraj CS (2017) in the paper “Demonetization: Redefining Indian economy” says that Demonetization is a general measure to mitigate the problems of black money and counterfeit notes though there are specific measures to tackle the same menace. It is usually, immediately or simultaneously followed by remonetization as there is no other way.

## **RESEARCH METHODOLOGY**

### **Objective of the study**

- Finding digital economic possibilities with plastic money in the wake of Demonetization
- Exploring the opportunities by the customers and managing the challenges by the bankers in Post Demonetization

### **Need of the study**

India is majorly cash based economy. Close to 98% of the total transaction by volume and 65% of transaction by value are done in cash which makes it extremely difficult for the government to keep a track of all these transactions which lead to corruption and increase the black money in the country. To eradicate the black money from the country the government announced banning the legal tender of Rs. 500 and Rs. 1000 notes. Thus there arises a need to study how this has affected the economy where 98% of transaction is carried by these notes. There is also a need to know how far the people can find opportunities by accepting other mode of payments and also how the banks are managing the present situation.

### **Sources of data:**

- Primary data are collected through questionnaire which was distributed among bank customers as well as bankers.
- Secondary data are collected from journals, publications, books, internet etc.

### **Sample design**

- Population of the study is bank customers of Hyderabad city
- Sample size is 100. This is divided as 75 banking customers and 25 bankers.
- Sampling Technique is convenience sampling technique as the samples are a bank customer who uses plastic money.

### **Limitations of the study**

- In spite of best of efforts to minimize all limitations that might creep in course of research there were time constraints for the research.
- For primary data non response error cannot be ruled out.

### **Data Interpretation**

As per the objectives of the paper, the data collected from bank customers and bankers were analyzed and the observations are interpreted and are discussed below.

### **PART-I BANK CUSTOMERS (Total number of respondents are 75)**

#### **Profile of non-card holders**

- Gender: Majority of respondents are males. out of 23, 16 are males and 7 are females
- Educational Qualification – most of the respondents are high school and intermediate qualified
- Occupation- majority of respondents are into private business and some are daily wages.
- Monthly income – Income of many respondents falls below Rs. 20000/- per month and few of the respondents earn more than Rs. 20000/-

#### **Rating of non-cardholders on reasons for not using Plastic money (respondents 23)**

(SA- Strongly Agree, A- Agree, M- Moderate, DA- Disagree, SDA- Strongly disagree)

Table 1. Rating of non-cardholders on reasons for not using Plastic money

Sl No.	Reasons	Total Number of Respondents				
		SA	A	M	DA	SDA
1	Problem in carrying cards	7	5	0	11	0
2.	Possibility of losing or misusing	10	12	0	01	0
3.	Taxes and Charges levied on Cards	15	07	01	0	0
4	Repayment Concern/ Debt trap	19	04	0	0	0
5	Increases Spending Habits	10	10	0	03	0
6	Makes Impulsive Purchases	Nil	06	10	07	0
7	Lack of meeting the eligibility criteria for getting the cards	18	05	0	0	0
8	Non Acceptance of cards by small merchants	20	03	0	0	0
9	Cannot be used for low value transactions	15	08	0	0	0

Observation: From the above figure it is observed that majority of non cardholders strongly agree that as they lack in meeting the eligibility criteria to get the cards, as most of the respondents income level is less than Rs.20000 per month. Apart from that they also strongly agree with the reason that it cannot be used for low value transactions and many of the small merchants does not accept payments through cards. Here comes the challenge for the bank that they should revise the eligibility criteria and also the credit limits so that each and every banking customers can get a chance to use the cards. Government also should have look on the taxes they levy on usage of plastic money so that they can achieve a goal of making India a less cash economy.

Demonetization will lead non-card holders to use Plastic money

Table2. Demonetization leading to use plastic money

Sr no	Response	Total no. of respondents	Percentage
1	YES	18	78.26
2.	NO	05	21.73

Observation: From the above table it is observed that 78% of respondents agree that demonetization will lead to digitalization. But at the same time remaining 22% has an opinion that it will not. According to them demonetization is not a continuous process. Once the flow of currency increases, the economy will again back to normal.

Factors that lead Non-Card holders to use Plastic money after Demonetization  
(VH- Very High, H- High, A- Average, L- low, VL – Very low)

Table 3. Factors leading to use plastic money

Observations: From the above figure it is observed that majority of respondents have a very high feeling that all these factors will lead them to use plastic money. As the government has made some limits on withdrawals, all their needs cannot be satisfied only with that limited amount. Hence they feel that they can use the plastic money to fill the gaps. After demonetization there are lots benefits given on the use of plastic money such as no transaction cost, cash back rewards, tax benefit and discounts on using debit and credit cards which will also lead the customers to go for plastic money.

Profile of card holders (Total Number of respondents is 52)

Sr no.	Factors	Total Number of Respondents				
		VH	H	A	L	VL
1.	Can be used as Instant Cash	13	8	2	0	0
2.	To meet Cash Crunch	19	4	0	0	0
3.	Cash back rewards on cards	15	8	0	0	0
4.	Other benefits	10	8	0	5	0

- Gender – Majority of respondents are males. i.e... out of 52, 34 are males
- Educational Qualification – most of the respondents are postgraduates and graduates.
- Occupation- majority of respondents are into government jobs and professionals and some are private business owners.
- Monthly income – Income of many respondents falls under Rs. 30000-50000 rupees per month and few of the respondents above Rs. 50000.

#### **Banking Details of Cardholders:**

- Banking with: 40 respondent's bank with nationalized banks and 12 with private banks.
- Type of account: Majority of the cardholders have savings account as they are drawing salary income and few of the cardholders who does private business have current account too.
- Type of plastic money used: Most of the respondents have both debit and credit cards.



- Frequency of cards used: majority of respondents use the card once in three days as per requirement.

### Response on increase in use of plastic money by card holders after demonetization

Table 4. Increase in use of plastic money by cardholders after demonetization

Sr. No.	Response	Total no of respondent	Percentage
1.	Strongly agree	32	61
2.	Agree	15	29
3.	Disagree	5	10
4.	Strongly disagree	0	0
	Total	52	100

Observation: It is observed from the table that majority of respondents strongly agree that use of plastic money has increased after demonetization in order to counter the demonetization effect.

### Problems faced by bank customers after demonetization.(Respondents 75)

[SA- Strongly agree, A- Agree, ID- Indifferent, DA- Disagree, SDA- Strongly Disagree]

Table 5. Problems faced by customers after demonetization

Sl. No.	Reasons	Total Number of Respondents				
		SA	A	M	DA	SDA
1.	Long Queues	45	30	0	0	0
2.	Inadequate cash with banks	40	23	12	0	0
3.	Less availability of new currency notes	42	28	15	0	0
4.	Unavailability of cash at ATM's	57	8	10	0	0
5.	Problems in meeting the daily expenses	22	23	15	15	0
6.	Lack of Rations	10	8	15	42	0
7.	Problem in organizing functions	28	40	7	0	0

Observation: It is observed from the above table that in post demonetization period the problems faced by the customers were comparatively less than in demonetization period. Most of the banks upgraded their ATM's and there is an increase in flow of new currency notes. Hence, there was some relief to the customers as some of the respondents disagree with certain problems.

**Part II – BANKERS (Total respondents are 25)**

Profile of bankers:

- Gender: Majority of respondents are males, i.e. out of 25 respondents 14 are males and 11 are females.
- Educational Qualification: Maximum numbers of respondents are post graduates and few of them are undergraduates.
- Employing with: Data are collected from both nationalized and private banks. Among 25 respondents, 19 are employed with nationalized banks and 6 are with private banks.

**Percentage increase in issue of plastic money by the banks.**

Table 6. Percentage increase in issue of plastic money after demonetization

Sr. No	Percentage increase in issue	Total No. of response	Percentage
1	5%-10%	8	32
2.	10%-20%	7	28
3.	20%-30%	5	20
4.	30% and above	5	20
	Total	25	100

Observation: It is inferred from the table that majority of the banker response that there is only 5-10 percentage of increase in issue of credit cards. However, at the same time they say that there is tremendous increase in usage of plastic money in order to meet the situation of demonetization.

**Preferred modes of payment after demonetization.**

[MP – Most preferred, P – Preferred, LP – Least Preferred, MLP – Most likely to prefer , NAP – Not at all Preferred.]

Table 7. Preferred modes of payment after demonetization

SR NO	PREFERENCES	MP	P	LP	MLP	NAP
1.	Cash	8	14	1	1	1
2.	Cards	20	4	0	1	0
3.	E- Wallets	12	11	0	1	1
4.	Net Banking	10	13	1	1	0
5.	Others	2	13	4	6	0

Observations: From the above table it is observed that after demonetization people still prefer cash and most preferred mode of payments are cards due to cash crunch, for limits were kept by banks on withdrawals, there was less circulation of new currencies. Apart from these, people are using more of e-wallets and net banking and also other mode of payments.

### Challenges faced by bankers due to demonetization

[VH- Very High, H- High A- average, L- low, VL- very low]

Table 8. Challenges faced by bankers due to demonetization

Sr. No.	Challenges	Total Number of Respondents				
		VH	H	A	L	VL
1.	Less Availability of new currencies	19	6	0	0	0
2.	Low cash reserves	20	5	0	0	0
3.	Lack of meeting consumer expectations	7	14	4	0	0
4.	Increase in Workload	18	7	0	0	0
5.	Banking Network Management Challenges	0	0	8	10	7

Observation: Majority of the bankers had suffered a lot during the period of demonetization. They had gone through mental pressures as there were long queues outside the branch and they were unable to meet the customer expectations. There was less availability of cash and less circulation of new currency notes Network problems like server hacking and server problems were faced less during that period.

### FINDINGS:

1. More than 70% of respondents strongly agree that the demonetization will lead to digitalization.
2. As a part of making India a digital economy and a less cash society the government has announced benefits to customers using plastic money as payment mode. The opportunities made by the government to its public are tax benefit on use of plastic money , benefits to merchants , cash back rewards on cards etc. and due to this the customers are more shifting to plastic money rather than using the cash
3. During demonetization there were many challenges faced by the bankers. One of the challenges they were facing was unable to meet the customer needs as there was less circulation of money. More than 90% transaction was made

only through cash and ban on highest value of currency had almost paralyzed the economy. But in this post demonetization period the banking sectors have overcome all their challenges by rationalizing the currency available to meet its inadequacy, opening additional counters to smoothen the transactions, working additional hours to meet the customer expectations even on public holidays, and providing the facility of cash withdrawal through vouchers instead of cheques and also green cash channel facility provided by some of the bankers.

## **CONCLUSION**

Demonetization is a general measure to control the problems like black money, counterfeit notes, though there are specific measures to solve these problems. It is usually, immediately, or simultaneously followed by remonetization, as there is no other way. The government is in process of controlling the situation by increasing the circulation of new currency notes. So our efforts should be focused towards popularizing e-banking and advantage in using plastic money. Government should take initiative to make available the plastic money to its public especially the rural population and educate them regarding digitalization and its advantage as most of the rural population still depend on cash. The decision of government will definitely give better results in the long run. To make dream 'digital economy' happen, there is need for more organized studies across India so as to find out the preferences for use of plastic money and the challenges. This knowledge market will help the marketers, policy maker and also the customers.

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