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## CORRESPONDENCE

All correspondence should be made with;

**Pune Institute of Business Management  
Review**

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**DR. RAJASSHRIE PILLAI**

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PUNE INSTITUTE OF BUSINESS MANAGEMENT,  
PUNE, MAHARASHTRA, 412 115  
Website: [www.pibm.in](http://www.pibm.in)

# **CONFRONTS & PROSPECTS OF DIGITAL MARKETING**

## **IN SMART CITIES**

**Dr. Siddaling C. Talikoti**

Assistant Professor

B.L.D.E.A'ssha

A.S.P College of Commerce (Autonomous)

MBA Programme Vijayapura – 586101

Email: siddaling\_statistics@yahoo.co.in

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### **ABSTRACT**

**W**ith the thrill in globalization, the world is witnessing a greater challenge in the diverse facets of smart cities. Even though smart city is a designation given to a city that incorporates information and communication technologies (ICT) to enhance the quality and performance of urban services such as energy, transportation and utilities in order to reduce resource consumption, wastage and overall costs to increase operational efficiency, share information with the public and improve both the quality of government services and citizen welfare. In the current scenario of globalization, the smart cities have not only become **digital** but people in the smart cities also are getting converted themselves to the digital era. Individuals are not only consuming digital content on a daily basis but also companies and the business world in general have recognized the importance of getting digital in smart cities. In the smart cities, the most significant parameter of business progress happens to be attracting their stakeholders by designing irreplaceable advertisements or advertising strategies through digital media. Digital marketing on the other hand can be defined as an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising and any other digital medium. The concept of digital marketing has become a fashion in the companies to promote their products and services. While marketers with positive experiences would tend to believe that digital marketing works and some would disagree in rural India, but one would be sure that magnitude of its impact is increasing in rural market, when compared to urban and other markets. This paper studies and establishes the impact of digital marketing in smart cities. The study also probes into the learning of confront & prospects of digital marketing

in smart cities. Through research and analysis, the paper emerges some points which can be used as a blue print criterion for smart cities. As the paper is the foundation brick of the impact of digital marketing in smart cities, the paper also ends with few insights on impact of digital marketing to be considered for smart cities.

**Key words:** Digital marketing, Globalization, Technology, Customers & Smart cities.

## **INTRODUCTION**

Digital marketing can be defined as an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. The concept of digital marketing has become a fashion in the companies to promote their products and services. Digital marketing is the promotion of products or brands via one or more forms of electronic media and differs from traditional marketing in that it involves the use of channels and methods that enable an organization to analyze marketing campaigns and understand what is working and what isn't – typically in real time. Digital marketers monitor things like what is being viewed, how often and for how long, sales conversions, what content works and doesn't work, etc. While the Internet is, perhaps, the channel most closely associated with digital marketing, others include wireless text messaging, mobile instant messaging, mobile apps, podcasts, electronic billboards, digital television and radio channels, etc.

### **Importance of Digital Marketing:**

Digital media is so pervasive that consumers have access to information any time and any place they want it. Gone are the days when the messages people got about your products or services came from you and consisted of only what you wanted them to know. Digital media is an ever-growing source of entertainment, news, shopping and social interaction, and consumers are now exposed not just to what your company says about your brand, but what the media, friends, relatives, peers, etc., are saying as well. And they are more likely to believe them than you. People want brands they can trust, companies that know them,

communications that are personalized and relevant, and offers tailored to their needs and preferences. Digital marketing and its associated channels are important – but not to the exclusion of all else. It's not enough to just know your customers; you must know them better than anybody else so you can communicate with them where, when and how they are most receptive to your message. To do that, we need a consolidated view of customer preferences and expectations across all channels – Web, social media, mobile, direct mail, point of sale, etc. Marketers can use this information to create and anticipate consistent, coordinated customer experiences that will move customers along in the buying cycle. The deeper your insight into customer behaviour and preferences, the more likely you are to engage them in lucrative interactions. Digital marketing is catapulting past analogue. People are consuming more digital content daily – using their smart phones, desktops computers, laptops, tablets, and more. The thing is, companies need to recognize that they need to alter their marketing strategies to adapt to this. Digital marketing is also more eco-friendly than more traditional forms of marketing. There is no need for any materials to be consumed which means that there is less harm done to the environment to get the name of your business out there. Your business is immediately responsible for sustainability. Today, your digital footprint is much more important than the physical footprint of your business.

### **The Importance of Digital Marketing in the current scenario:**

Whether it is product or a service, we just can't under estimate the power of digital marketing. The current age where we live, it is fully dedicated to digital media and so when you are marketing or advertising then you must not forget that there has to be online marketing too.

**What makes a difference?** Almost everyone would use the online and social media these days. Also, there have been many people who would just like surfing and checking what's on the web. Thus, you can see that almost everyone would come online once a day at least. In fact, some people stay online whole day. Keeping these facts in mind, you just can't leave digital marketing alone when it comes to marketing the product or service.

## **Why Digital Marketing is Important for Business:**

The world is quickly becoming **digital**. People are consuming digital content on a daily basis. Companies and the business world in general are starting to recognize the importance of getting digital and it is essential that marketing departments adapt quickly to the new circumstances and actively hire professionals in the field of digital marketing. Digital marketing is extremely important, not only because of its rapid growth but also because it is essentially the future of marketing. Soon all other traditional marketing forms will disappear as digital marketing will replace them altogether. While some generations will no doubt lament the loss of paper newspapers, books and old fashioned communication methods, new generations who have grown up with internet and mobile phones are already embracing the brave new world of digital consumption. Digital marketing methods are faster, more practical and versatile than the old traditional ones. Technology has put business in the digital age. Some of the most common forms of digital marketing are:

- Website (SEO content)
- Blogs
- Internet banner ads
- Online video content
- Pay-per-click advertising
- Email marketing
- Social media marketing (Facebook, LinkedIn, Twitter, etc)
- Mobile marketing (SMS, MMS, etc)

## **Key reasons of using digital marketing:**

- More affordable than traditional marketing. An e-mail or a social media campaign can transmit the same message to customers for less money than a TV-Ad or a newspaper one. Moreover social media campaigns can reach a wider audience in any part of the world.
- Easier to track results. With a wide range of analytics and data we are able to analyse our own marketing campaigns and find out how the campaign performed and how it can be improved. Of course you can get this data for traditional

marketing campaigns but a digital campaign will allow you to measure the success in real time, giving you the advantage of planning more effectively and making changes almost instantly.

- The number of consumers. Traditional marketing has lost a huge amount of consumers. Most people read their newspapers on their iPad or some type of tablet. You need to develop your marketing and embrace the digital age.

## **Advantages & Disadvantages of Digital Marketing**

### **Advantages:**

- Advertisement on the internet is cheaper than (Low cost) the print advertisement. It is a two way communication between sales person and the potential customer which takes people to the company website. It has a much wider reach.
- It helps in spreading the business worldwide, with no geographical barriers, making it accessible from one country to another via Internet.
- It is a 24X7 (365 days) open store where people are welcome to shop anytime from anywhere. This further directs the potential customer towards the company website.
- Internet makes the product reach much more easy; while researching or getting accurate information on a product. It also adds value by adding a point of reference and a touch of individualized customer service.
- It also helps in creating credibility and gain trust and confidence of the customers. Many people use internet for the pre-purchase research so that they can find themselves a particular product which meets up to their requirements.
- It also helps in updating the subscribers through a fast mode of e-mails. Visitors get up-to-date information on each visit.

- In case of information sensitive business such as a law firm, newspaper or online magazine, or a newsletter, you can deliver the products directly to the customers online.
- Increased ability to measure and collect data.

### **Disadvantages of Online Marketing**

- Easier to have out dated information on internet, update timing is a critical issue here.
- Many web visitors expect something for free. Do you have something to offer free?
- There is a lot of competition in the market and by the time visitor reaches the product they have already gone through many links and got the required product. Unless they find what they are looking for quickly.
- There are many pros and cons of internet marketing. It's important to consider each when creating internet marketing strategy.

### **Smart City:**

A smart city is an urban area that uses different types of electronic data collection sensors to supply information which is used to manage assets and resources efficiently. This includes data collected from citizens, devices, and assets that is processed and analyzed to monitor and manage traffic and transportation systems, power plants, water supply networks, waste management, law enforcement, information systems, schools, libraries, hospitals, and other community services. The smart city concept integrates information and communication technology (ICT), and various physical devices connected to the network (the Internet of things or IoT) to optimize the efficiency of city operations and services and connect to citizens. Smart city technology allows city officials to interact directly with both community and city infrastructure and to monitor what is happening in the city and how the city is evolving. ICT is used to enhance quality, performance and interactivity of urban services, to reduce costs and resource consumption and to increase contact between citizens and government. Smart city applications are developed to manage urban flows and allow

for real-time responses. A smart city may therefore be more prepared to respond to challenges than one with a simple "transactional" relationship with its citizens.

## **Confronts & Prospects Of Digital Marketing In Smart Cities:**

### **Confronts of digital marketing in Smart Cities:**

- 1. Standard of living:** Although the cities have attained the status of "Smart", the number of people below the poverty line is more in such cities. Thus, such people of the smart cities are still yet to purchase smart phones or computers with internet access. Accordingly digital marketing is also weak and marketing strategies have to be different from those used with e-technology.
- 2. Literacy levels:** E-advertising media has less utility compared to the other media of advertisements because of the literacy level in smart cities is not the same; thus leading to a problem of communication.
- 3. Communication Problems:** Facilities such as internet, telephone, fax and telegram are extremely good in smart cities. Quick communication is the need of the hour for smooth conduct of business, but it continues to be a far cry in smart cities due to lack of literacy rate in internet related systems. The literacy rate related to digital marketing is rather low and consumer's behaviour in these areas is traditional, which may be a problem for effective communication.
- 4. Traditional Life:** Nevertheless smart cities are developed or developing, Life is still governed by customs and traditions and people do not easily adapt new practices. For example, even rich and educated class of people do not use digital media for shopping.
- 5. Buying Decisions:** Consumers are cautious in buying and decisions are slow and delayed. They like to give a trial and only after being personally satisfied, do they buy the product, and sometimes they wait for other people to use the new product which are launched by the company, if the product has good feedback from those people who has used it then only most of the people like to go and buy that product and get satisfied.

- 6. Social and cultural challenges:** The cyber café model has not worked in many smart cities due to socio-cultural issues.
- 7. Cultural Factors:** Culture is a system of shared values, beliefs and perceptions that influence the behaviour of consumers. There are different groups based on religion, caste, occupation, income, age, education and politics and each group exerts influence on the behaviour of people in villages through which people are not savvy with technology.
- 8. Many languages and diversity in culture:** Factors like cultural congruence (similarity), different behaviour and language of the respective areas make it difficult to handle the customers. Traits among the sales force are required to match the various requirements of these specific areas. This factor is strongly not assisting digital marketing in smart cities.
- 9. Distribution and logistics:** Infrastructure continues to be the biggest challenge in smart cities. Moreover, the lack of space and inefficient distribution network prevents penetration of products/services into smart cities. Although, the distribution chain is very well organized but requires a large number of mediators, which in turn increases the cost and creates administrative problems. Due to lack of proper infrastructure, manufacturers are reluctant (unwilling) to open outlets in these smart cities, but they are mainly dependent on dealers, who are easily available in smart cities. This is a challenge to the marketers.
- 10. Seasonal Demand:** The demand or buying capacity is not stable in digital marketing as compared to the common market. Demand for goods in common markets mainly depends upon circumstances like rainfall and agriculture. Therefore constant efforts have to be made for digital marketing strategies, so that consumer should buy or sell only through online marketing.
- 11. Transportation:** Transportation is one of the biggest challenges in smart cities. As far as transportation is concerned, about 50% of smart cities are connected by national highways and railways. But, during monsoon the smart cities which are located in hilly

terrains gets isolated as the roads of such cities become bumpy and patchy, and the roads become unserviceable. However, the rest of the smart cities have a proper road linkage which makes physical distribution a smooth task. The smart cities located in hilly terrains that make it difficult to connect them through roads. Most marketers use tractors or bullock carts in hilly areas to distribute their products. Warehousing is another major problem in hilly areas, as there is hardly any organized agency to look after the storage issue. The services rendered by central warehousing corporation and state warehousing corporations are limited only to urban and suburban areas.

### **Prospects of digital marketing in Smart Cities:**

- 1. Rapid Transformation:** In the last 20 years, 40% villages have been connected by road, in next 10 years another 30% would be getting connected. More than 90% villages are electrified, though only 44% rural homes have electric connections. This rapid growth implies that even the rural India is in the state of getting transformed to digital India at the earliest.
- 2. Improved Telecommunication facility:** The cell phone density has gone up by 300% in the last 10 years; every 1000+ population is having cell phone and is accessing internet on their cell phone.
- 3. Rising ICT Literacy Level:** The ICT literacy level has improved from 36% to 59% and shall reach 100% at the earliest.
- 4. Large Population:** The population is large in smart cities and its growth rate is also high. Despite the rural urban migration, the smart cities continue to be the place of living majority of Indian youths.
- 5. Increasing Income:** Because of the growing cities there has been constant increase in the income of residents of smart cities, the improved results shown by the companies, industries and organizations are paying extremely worthy rental charges to the residential owners who have provided their land on rental basis.
- 6. More Loyal Consumers:** Consumer before buying something they think hundred times, they check out all the features of the product and also the price of the product. And they always ask their effectiveness or feedback of the product. After doing all this they again think many times to buy a single product , but once the consumer feels that

they are getting more benefits from the product than the price paid by them, consumer will always remain loyal to that product and it will be very difficult for the competitors to break that loyalty.

## **CONCLUSION**

Indian market is undoubtedly complex but there are some simple truths that we need to accept. The consumers are very value-conscious. They may or may not have purchasing power, but they can make a difference to the company's growth if concentrated. Gone were the days when a consumer had to go to a nearby town or city to buy a branded product. The growing power of the consumer is an opportunity for the companies to flock to the markets. Gandhi ji believed that India's future markets will have a significant contribution in the India's economy.

Thus, looking at the confronts and the prospects of digital marketing in smart cities, which markets offer to the marketers, it can be said that the future is very promising for those who can understand the dynamics of digital marketing in smart cities and exploit them to their best advantage.

A radical change in attitudes of marketers towards the vibrant and burgeoning (growing) markets is called for, so they can successfully impress on the 230 million consumers spread over approximately hundreds of smart cities in India.

Any starting venture in Indian market must have to look into these aspects and after that, schedule their next steps, because one-step wrong from their side can ruin their whole brand image in other parts of the country also.

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# **THE POWER OF DIGITAL MARKETING IN THE SMART CITIES OF INDIA**

**Dr. Siddaling C. Talikoti**

Assistant Professor

B.L.D.E.A's

A.S. Patil College of Commerce (Autonomous)

MBA Programm Vijayapura – 586101

Email: siddaling\_statistics@yahoo.co.in

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## **ABSTRACT**

**T**hrough the super power of “globalization”, the smart cities in India have not only become **digital** but people also are in receipt of transforming themselves to the digital era. Citizens of the smart cities are not only consuming digital content on a daily basis but also the companies and the business world in general are starting to recognize the importance of getting into digital. Equivalently, it is very essential that marketing departments need to adapt to the new environments and hire active professionals in the field of digital marketing. Digital marketing on the other hand can be defined as an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. The concept of digital marketing has become a fashion in the companies to promote their products and services. While marketers with positive experiences would tend to believe that digital marketing works and some would disagree in India, but one would be sure that magnitude of its impact is increasing in market, when compared to other markets.

This paper studies and establishes the power of digital marketing in smart cities of India. The study also probes into the learning of impact of digital marketing in Indian smart cities. Through research and analysis, the paper emerges some points which can be used as a blue print criterion for the digital marketing strategies to be considered in the smart cities.

## **RESEARCH METHODOLOGY**

Drafting a questionnaire based on the above mentioned and analysing the data.

**Key words:** Smart cities, Digital marketing, Consumers, advertisement & India.

## INTRODUCTION

Digital marketing can be defined as an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. The concept of digital marketing has become a fashion in the companies to promote their products and services. Digital marketing is the promotion of products or brands via one or more forms of electronic media and differs from traditional marketing in that it involves the use of channels and methods that enable an organization to analyse marketing campaigns and understand what is working and what isn't – typically in real time. Digital marketers monitor things like what is being viewed, how often and for how long, sales conversions, what content works and doesn't work, etc. While the Internet is, perhaps, the channel most closely associated with digital marketing, others include wireless text messaging, mobile instant messaging, mobile apps, podcasts, electronic billboards, digital television and radio channels, etc.

### Glimpse of Smart City:

A smart city is an urban area that uses different types of electronic data collection sensors to supply information which is used to manage assets and resources efficiently. This includes data collected from citizens, devices, and assets that is processed and analysed to monitor and manage traffic and transportation systems, power plants, water supply networks, waste management, law enforcement, information systems, schools, libraries, hospitals, and other community services. The smart city concept integrates information and communication technology (ICT), and various physical devices connected to the network (the Internet of things or IoT) to optimize the efficiency of city operations and services and connect to citizens. Smart city technology allows city officials to interact directly with both community and city infrastructure and to monitor what is happening in the city and how the city is evolving. ICT is used to enhance quality, performance and interactivity of urban services, to reduce costs and resource consumption and to increase contact between citizens and government. Smart city applications are developed to manage urban flows and allow for real-time responses. A smart city may therefore be more prepared to respond to challenges than one with a simple "transactional" relationship with its citizens.

## **What Smart Cities of the Future Will Look Like?**

**With plenty of incentives for cities to embrace the tech future, here are the trends in the emerging social and digital arena.**

The emergence of Internet of things technology is driving the development of smart cities in many booming metropolitan areas around the world. The visions that planners have for these cities are bold—from autonomous buses and free Wi-Fi throughout to LED streetlights that have sensors to monitor their conditions.

The best fragment is that tangible benefits are all falling into place, like security, savings and sustainability, as well as attracting residents and businesses that want to capitalize on lower operating costs and position themselves at the forefront of the smart city revolution. With plenty of incentives for cities to embrace the tech future, here are the trends in the emerging social and digital arena.

### **Saving money through efficiency in smart cities:**

Much of the driving force behind everything “online” revolves around the bottom line, and improvements in efficiency lead to a solid reduction in needless spending.

In a research survey, according to CNN Money if we upgrade all streetlights in cities with remote monitoring LED street lights and smart controls which shall cost about rupees 14 million, the cities will save 8 million per year by switching to more energy-efficient LED bulbs, The technology alerts city employees when bulbs are out, but eventually, it may gather reams of valuable information about air quality, traffic patterns and more pertinent information for improving the city’s quality of life.

And then there are smart windows that react to changes in sunlight intensity to reduce heating, cooling and electricity consumption. Much like transition lenses in sunglasses, these windows can become lighter or darker depending on the need, and the Lawrence Berkeley National Laboratory found a 19 percent to 26 percent savings on cooling and 48 percent to 67 percent on lighting.

With data from smart buildings, individuals and businesses, cities can reduce energy consumption, especially during peak hours, and see substantial savings in energy costs with

the added benefit of reduced environmental impact. And it's all about environment impact when thinking long-term.

### **Driving innovation through conservation**

A fortunate side effect of reducing wasteful spending tends to be conserving important resources. Saving water, for instance, is always a laudable goal, but to certain communities in drought-ravaged area, preserving the resource is a much higher priority than saving a few dollars on a water bill.

To this end, cities have employed sense's smart water technology to help procure water usage data and enforce reduction mandates, as well as identify water leaks and other easily eliminated sources of waste.

### **Why people prefer to reside in smart cities:**

In a research study some surprising results were uncovered, the most intriguing of which include the following:

1. When educated about the benefits of smart cities, 75 per cent of respondents think smart city technology would have a positive impact on their lives.
2. Majority of participants are interested in living with smart city technology as there are many security based models.
3. Positive sentiment for smart cities is highest among millennials.
4. Participants expect smart city technology to directly impact their daily life within the next 0 to 3 years.
5. Smart street lights are the most well-known smart city application; public safety is considered the most important benefit of smart street lights.
6. Reducing pollution and improvements to public safety were considered the top two benefits, respectively, of smart city technology.

### **The Importance of Digital Marketing in the current scenario:**

Whether it is product or a service, we just can't under estimate the power of digital marketing. The current age where we live, it is fully dedicated to digital media and so when we are marketing or advertising then we must not forget that there has to be online marketing too. **What makes a difference?** Almost everyone would use the online and

social media these days. Also, there have been many people who would just like surfing and checking what's on the web. Thus, we can see that almost everyone would come online once a day at least. In fact, some people stay online whole day. Keeping these facts in mind, we just can't leave digital marketing alone when it comes to marketing the product or service. With the boom of Smartphones and Tablets, Digital Marketing has reached a new high. People who were previously unrelated to the field are now learning about it and are excited for the same. The era has changed does much that if a person does not have a Social Media account, he/she is looked down on. So, how does a marketer gets to make use of Digital Marketing?

### **Why Digital Marketing is very essential in Smart Cities:**

The smart cities are quickly becoming **digital**. People in the smart cities are consuming digital content on a daily basis. Companies and the business world in general are starting to recognize the importance of getting digital and it is essential that marketing departments adapt quickly to the new circumstances and actively hire professionals in the field of digital marketing. Digital marketing is extremely important in smart cities, not only because of its rapid growth but also because it is essentially the future of marketing. Soon all other traditional marketing forms will disappear as digital marketing will replace them altogether in smart cities. While some generations will no doubt lament the loss of paper newspapers, books and old fashioned communication methods, new generations who have grown up with internet and mobile phones are already embracing the brave new world of digital consumption.

Digital marketing methods are faster, more practical and versatile than the old traditional ones. Technology has put business in the digital age. Some of the most common forms of digital marketing are:

- Website (SEO content)
- Blogs
- Internet banner ads
- Online video content
- Pay-per-click advertising
- Email marketing

- Social media marketing (Facebook, LinkedIn, Twitter, etc)
- Mobile marketing (SMS, MMS, etc)

The smart-city market is in its early stages of development. Some of the most common applications include transportation and parking, energy management, water management, lighting, environmental monitoring, public safety and communications, waste management and smart buildings. But as smart cities become more ubiquitous, so too will opportunities for marketers—including those in the city governments themselves—to get closer to consumers.

“A smart city with all this connectivity will create more touch points with consumers, more opportunities to market, and will put a brand in front of consumers,” said Steve Koenig, senior director of market research at the Consumer Technology Association. “If you know that Joe Citizen tends to walk past a [digital] billboard, an ad could be instantly tailored to him and shown for 30 seconds. But when somebody else walks by, they might see an ad for something completely different.”

A Black & Veatch study found that advertising was among the methods that US city-planning professionals were using to monetize their smart-city initiatives.

Intersection, a company owned by Alphabet’s Sidewalk Labs, is part of a consortium working with New York on the LinkNYC program, which is replacing some of the city’s pay phones with kiosks that provide free, high-speed Wi-Fi, phone charging, information services and display screens that serve up a mix of public service messages and advertising.

### **Impact of Digital Marketing in Smart Cities:**

The term ‘smart city’ was coined towards the end of the 20th century. The industry is therefore still in its early days, giving smart city organizations the opportunity to position themselves as thought-leaders in this nascent space. Brands who go beyond simply selling their services and actually demonstrate their genuine passion for urban innovation (through, for example, maintaining a regular smart cities blog) are the ones that will be perceived as industry leaders. By making their voice not only the loudest, but also the most informative and interesting, these organizations will define themselves as leaders in a sector where pioneers are still being defined.

Impact of digital marketing has never been more important for city development – but this can be a strange and challenging world for businesses that are just beginning to develop

their online presence. Companies adept at using digital tools along the consumer decision journey are gaining a sizable lead over competitors. Today, **the internet has become** an indispensable tool for marketers, yet there are still gaps in understanding its role in shaping how consumers choose among brands. With the help of a powerful data set, we have been studying the relationship between the level of digitization across the consumer's decision journey and the likelihood that a consumer will select a brand after considering and evaluating its qualities. Overall, the landscape exhibits what we and others call Digital Darwinism.

- In the smart cities, competition among brands is steadily increasing as branding channels and messages proliferate.
- In the smart cities, as consumers become more digitally empowered, brand messages lose their impact, and the likelihood of conversion, on average, decreases.
- In the smart cities, the brands will most likely to convert digitally jaded consumers into purchasers offer the strongest array of digital experiences. These successful players seem to be pulling away from less robust digital brands and gaining further momentum as they build up positive word of mouth on social media.

### **Tie between Digital marketing & Smart Cities:**

Impact of digital marketing has never been more important for brand development – but this can be a strange and challenging world for businesses that are just beginning to develop their online presence. Here are several ways that digital marketing and the brand are closely tied and why that matters so much in today's online advertising world.

#### **1. "Going Viral" in smart cities.**

In smart cities "Going viral" isn't a phrase we hear very often anymore, primarily because the concept has grown too large and ingrained in the online world to be described with a single phrase. Today we have memes, signals, buzz, click-bait, trending posts, hash tags – and so much more. However, the goal is still spreading out content very quickly through the online world by making it eminently shareable, and the concept is still key to representing the brand on the Internet. Remember, in the online world the vast number of new consumers will see and come in contact with the brand through the most popular, most shared content. Digital marketing is the ground zero for finding new leads and bringing

them in to look at the business: It really is that simple. Successfully using digital marketing in smart cities to create viral content is now the challenge.

## **2. The Power of Profiles.**

Another key part of digital marketing – and this may surprise some companies – is the business profile. Why is this integral to our brand? Because it's the content that is very frequently judged by consumers making purchase decisions...especially in today's mobile world where Google delivers local business profiles at the very top of its SERPs. Additionally, the information connected with profiles, from Google to Facebook, is increasingly being tapped to affect page rankings and SEO. Not only will customers make instant decisions about our brand based on our profile information and connected reviews, they will see our profile more often these days based on what they are searching. In other words, focus a lot of effort on making our profiles clean, authentic, entertaining, informative, and everything else that good content should be.

## **3. Spreading Out Content**

It's easy for marketers to think of their brand identity as being the total sum of all the content produced and published. But we have to understand that those marketers are the only ones actually seeing all that content. In the smart cities, consumers are making their brand decisions after seeing only a few pieces of content available in their preferred channels – and more later on depending on their interest and conversions. What does this mean for our brand? It means that multi-channel content and consistency are both very important. We need all of our content to have the same tones and brand messages (and colors, fonts, professionalism, sense of humor, etc.) so that every consumer is getting the same idea about our company. Then distribute that content across a number of channels so ensure as many consumers see it as possible.

## **4. Social Signals and Traffic**

"Social signals" is a catch-all term used to describe everything that people do social content, including likes, shares, and comments. Generally – unless we are being crude or argumentative – a high number of social signals are very healthy for the brand. It indicates a lot of people are attracted to a particular type of content, and are getting a sense of our business through it. So social signals are frequently used to judge how powerful a brand is at any given time. It's a handy way to judge the efficacy of particular campaigns as well,

and these metrics should be a part of any digital advertising strategy. Remember, our online brand is affected not only by what we produce, but by what consumers do with it. We need both halves to be successful.

### **5. Direct Customer Interaction**

Digital marketing provides an unprecedented number of opportunities to talk directly with customers and potential customers. Because these are "real" conversations, they tend to have permanent effects on brand perception. Every time our company makes a comment, responds to a tweet, or enters a forum, it is creating immediate and immense brand movements. While direct responses are a great way to answer questions, clarify points, and deal with customers, they need a deft hand and knowledge of brand tone to be used effectively. Time and talent are important for these responses!

### **Impact of Digital Marketing on Consumer Behaviour in smart cities:**

With the boom of Smartphones and Tablets, Digital Marketing has reached a new high. People who were previously unrelated to the field are now learning about it and are excited for the same. The era has changed does much that if a person does not have a Social Media account; he/she is looked down on. So, how does a marketer gets to make use of Digital Marketing?

#### **1. Consumers now have their own benchmark of what “Looks Good”.**

With advent of Digital Marketing, the consumers are a troubled soul; they have different definition of “what Looks Good” to them. They will compare an FMCG product’s service with that of TV’s service. They expect one brand element to be equivalent to another brand’s element. There have been instances where people tweeted on FMCG companies’ handle on how let’s say Samsung has a better Quality of Service than what they provide. I mean these two products are far apart. But, consumer is King. So, now every company has to be on their toes now because, they are now competing with anyone and everyone on Social Media Space.

#### **2. Consumer Tolerance is reducing at an alarming level.**

Consumer wants response as fast and as clear as possible. It takes merely one viral tweet or post to destroy or build a company’s rapport. Platforms like twitter, Facebook, etc. are

being used by consumers to share their misfortunes that they had faced with a company. Negativity attracts people and this is human psychology. Very few users will put a grateful post on FB or Twitter. To tackle such situations, a brand must follow ORM strategy (Online Reputation Management). ORM is basically a management system where we respond to people who are talking about us. If they are talking good, then thank them and ask to visit our website. If they are talking negatively about us, ask them to chill and ask them to register a complaint on the helpdesk. Make sure that the helpdesk solves the problem because again the customer will go to Social Media, but now he/she would be even angrier! Such interactions create a positive impact on people.

### **3. Consumer Dialogue - Word of Mouth.**

Word of mouth is still one of the most effective marketing tools. Before Digital Marketing people used to ask elders, or people who have domain knowledge of the specific product they are about to buy. But, now the list has new entries like Rating, Reviews (User and Expert), Testimonials, etc. The decision of a consumer to buy a product, online or offline, they will first Google search it, and then they will go to review sites and read what experts and users have to say about the product.

### **4. People are not afraid of experimenting.**

Gone are those days when people are afraid of using a new product and would use it only when somebody else puts a trust deal on the product. Now, a new product with good features and quality is lauded with applause by our consumers. Best example can be Renault Duster car. This car became national sensation in a very brief period of time. It was also not backed up by a trusted brand like Maruti or TATA. Experimenting concept prevailed and due to which many companies like OYO, Ola, etc. came to life.

### **5. Consumers are now switchers instead of loyalist.**

Loyalty in consumers is now an extinct feature. There was a time when people in India just had a trust in one brand in mobile phone industry, NOKIA. Now, NOKIA is nowhere to be seen. Likes of MNCs like Samsung, Apple is now being threatened by new comers like Oppo, Xiaomi, Gionee, One+, etc. Flash sales and people getting mad over these low cost ultra-features phones. Another close to home example is Patanjali, Baba Ramdev initiative.

Patanjali has made MNC sweat. Colgate accepted that they have a new competitor in town. Patanjali as of now is a Rs. 5,000 crore company!

## **6. People use more than one Social Media channels now.**

It is not upto brands to decide which social media platform they want to be on. It is now decided by the consumers. If consumer is on FB, Twitter, Snapchat, Vine, G+, Tumblr, Instagram etc. brands have to be present there. They have to interact with people to create a buzz among them. Once a positive buzz is created, word of mouth spreads like fire. Brand now cannot and should not avoid Digital Marketing.

## **RESEARCH METHODOLOGY**

Research was carried out with a sample of 100 in size (Students of MBA Department ), to explore the objective of the paper. The research methodology used here was exploratory method. The designed questionnaire was given to the students. The methodology used was drafting of a questionnaire based on the objectives of the paper and analysing the data. From the tabulated and analysed data (which is on percentage basis) I have arrived at the following analysis and conclusions.

**Sample size** : 100.

**Sampling Technique** : Quota Sampling. (students who owned smart phones)

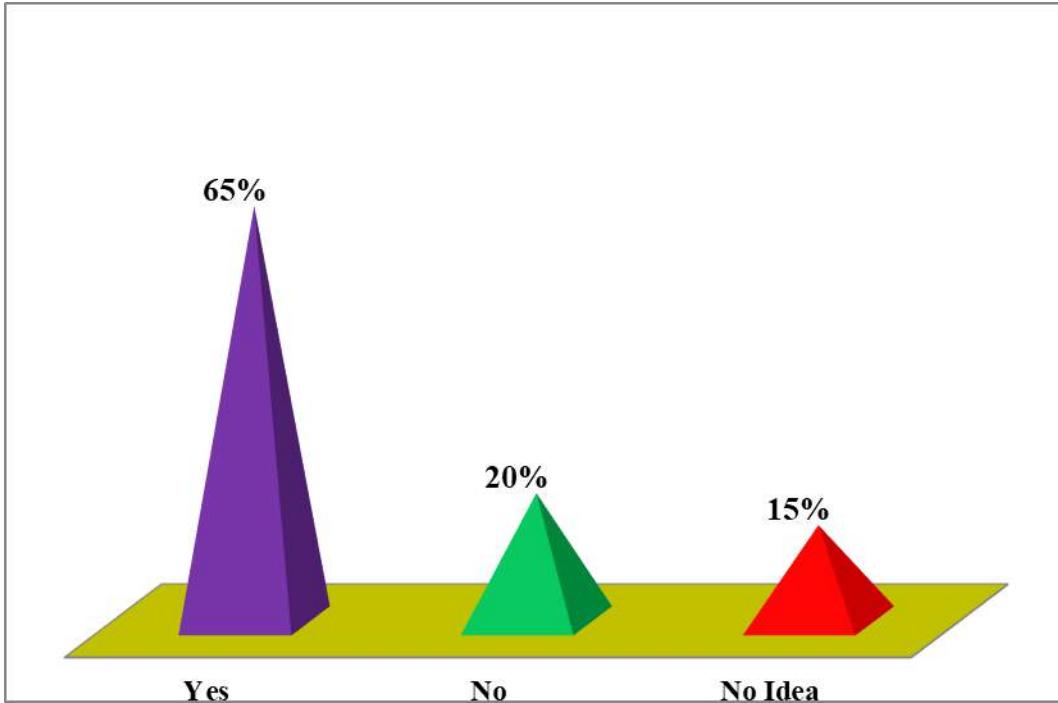
**Data collection Procedure** : Questionnaire technique.

**Objective of the study** : To study Power of Digital Marketing In The Smart Cities of India

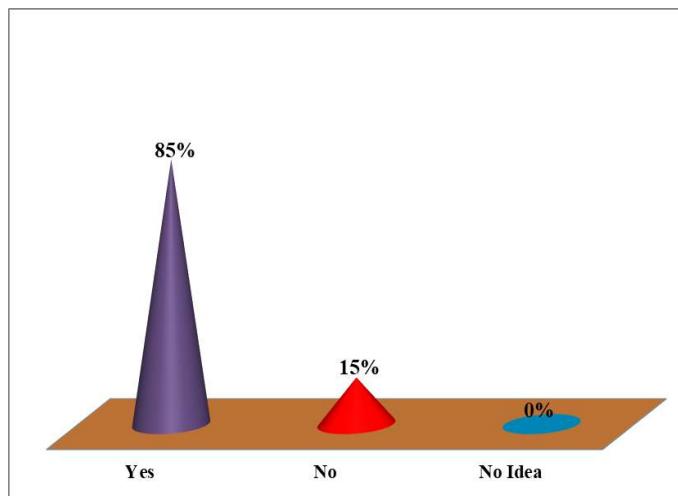
**Scope of the study** :

- a.** The paper establishes a strong sense of relationship between consumers, branded products and online marketing in smart cities
- b.** The paper showcases the factors that influence the consumers while choosing branded products using digital marketing in smart cities.

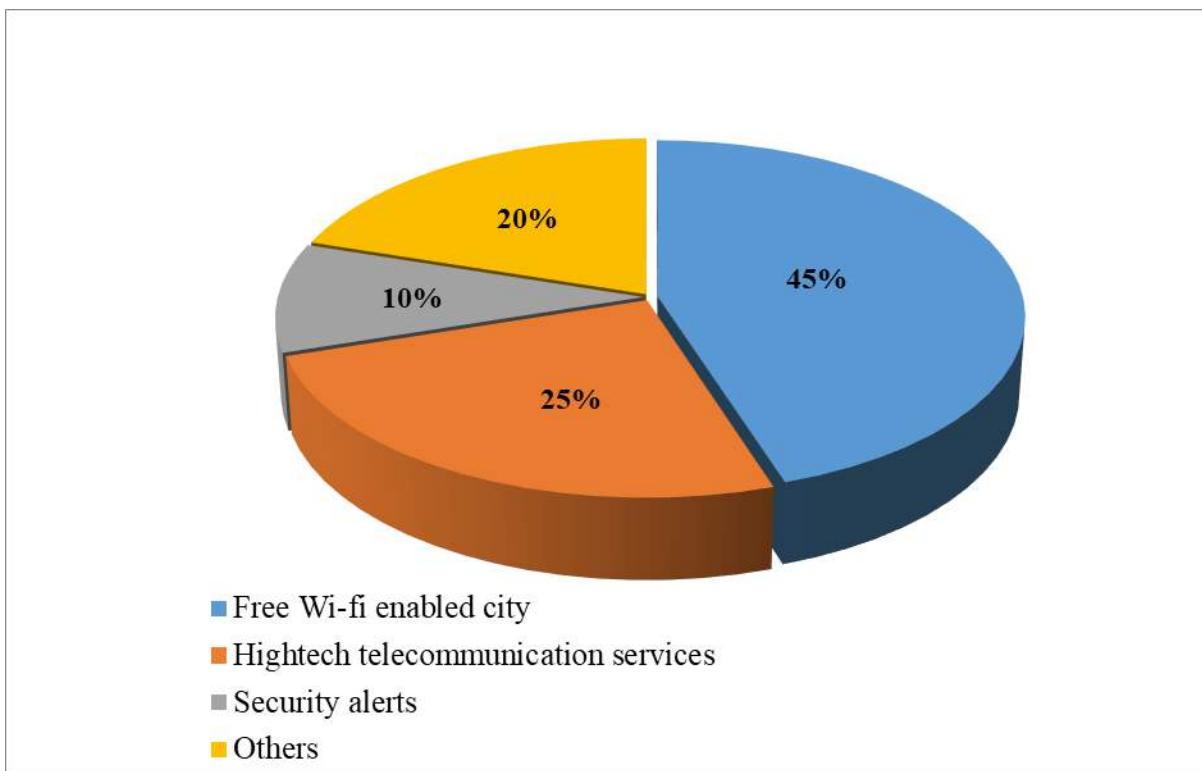
**Diagrammatic presentation of the data collected and analysed Respondent's perception towards “ Is digital marketing one of the key components in smart cities ? ”**



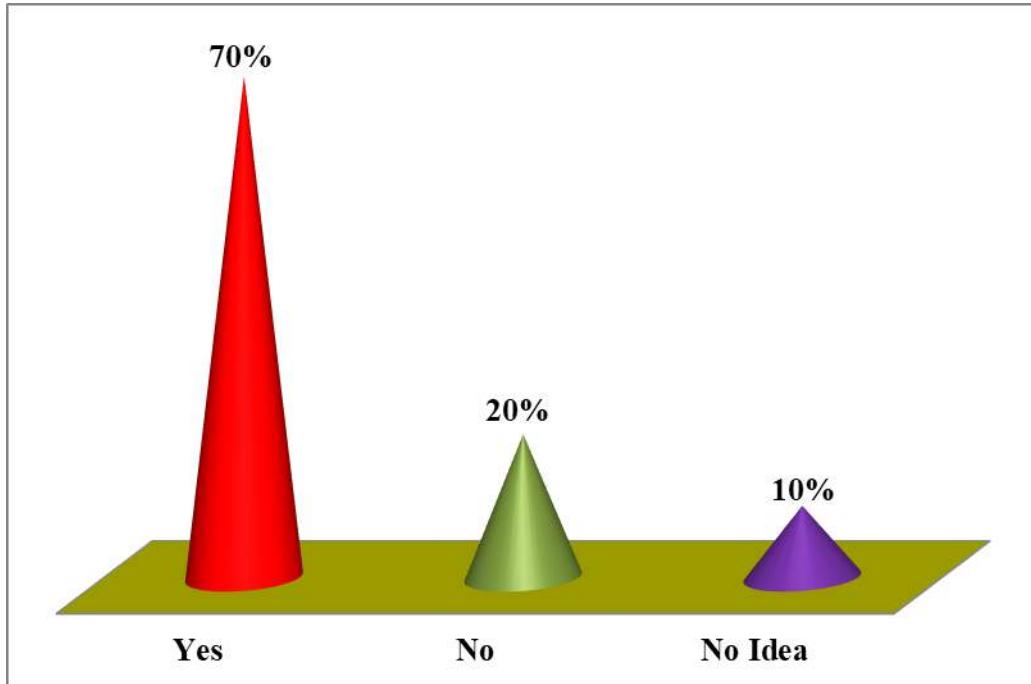
**Respondent's perception towards “ Digital marketing is the suitable marketing technique in smart cities ? ”**



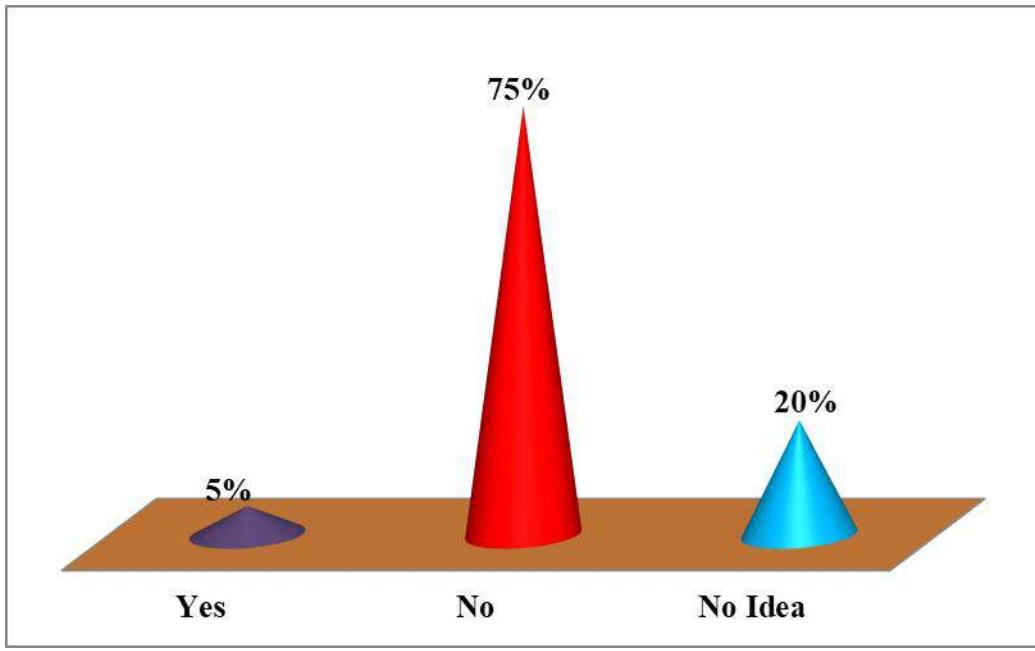
**Respondent's perception towards “Motivating factors for citizens of smart cities to go for digital marketing”**



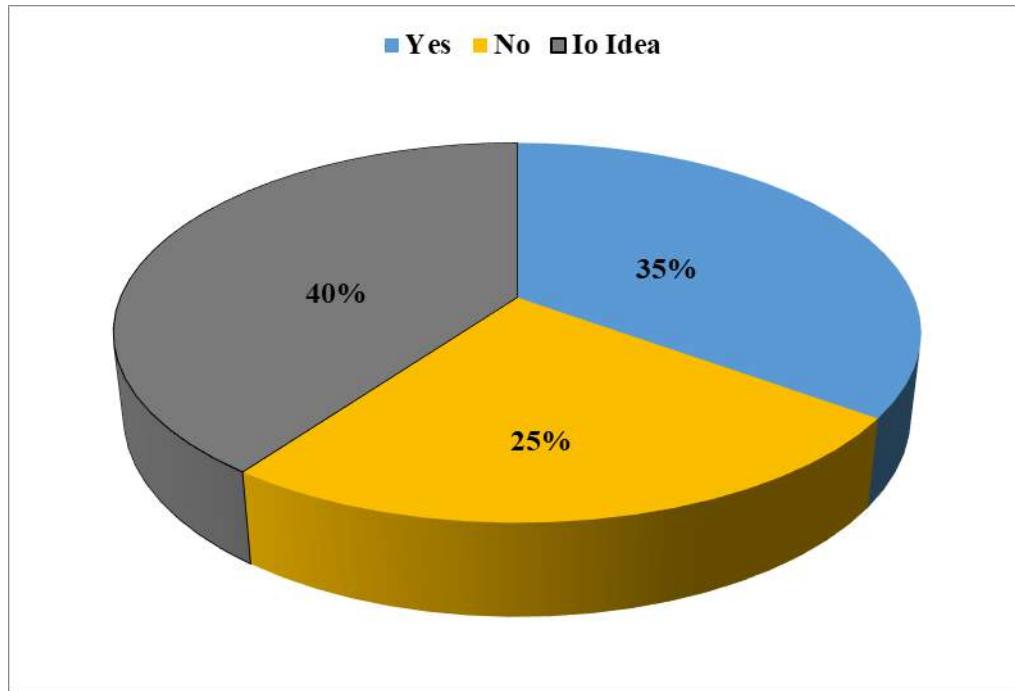
**Respondent's perception towards “Smart cities makes the smart marketers and smart consumers”**



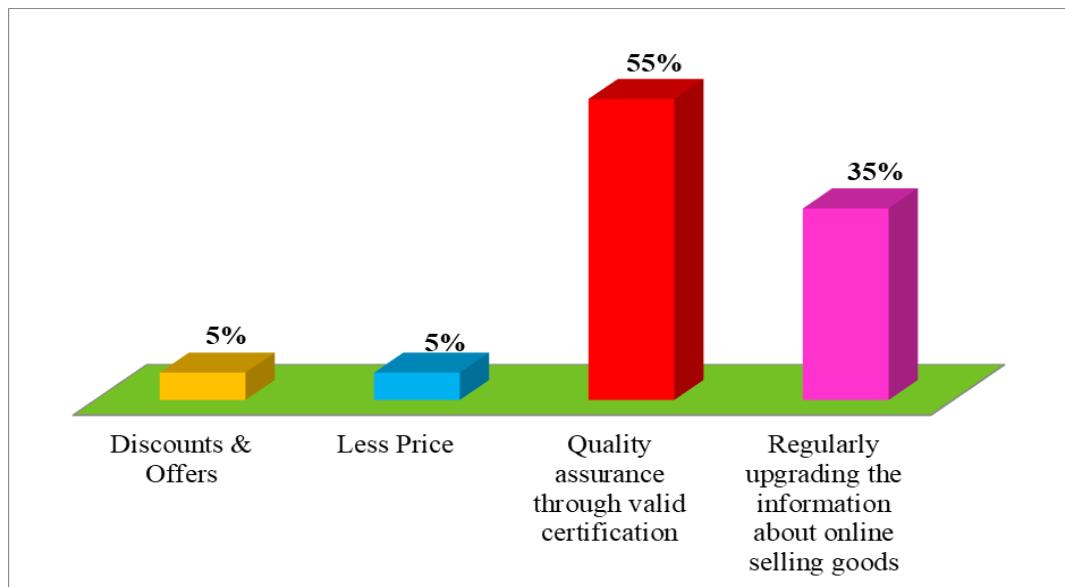
**Respondent's perception towards “Digital marketing” is accessed by only literate consumers in smart cities ? ”**



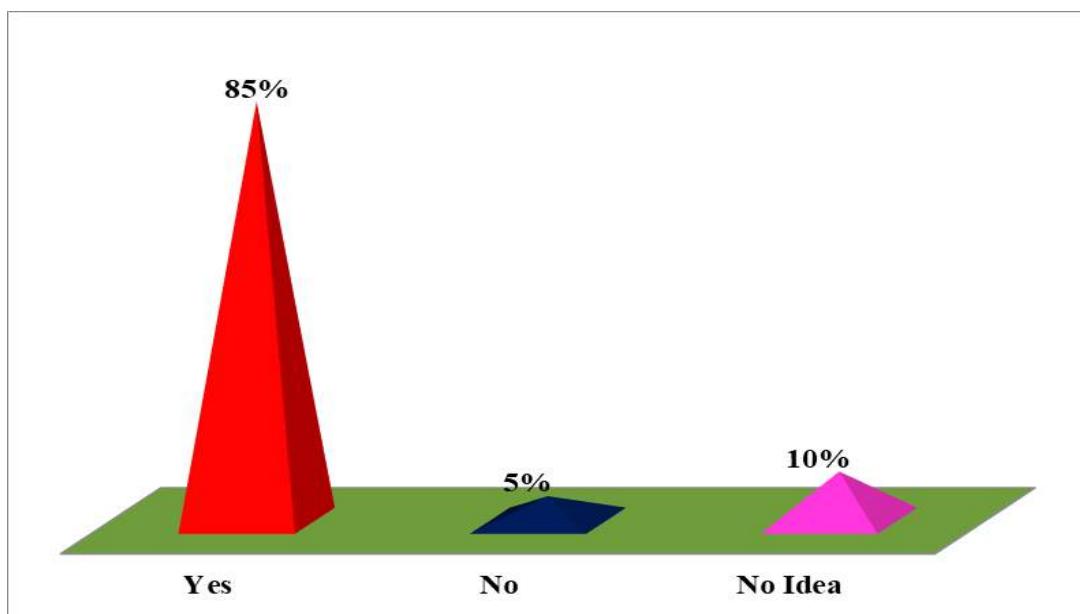
**Respondent's perception towards “Digital marketing” promotes market potential of only branded products in smart cities ”**



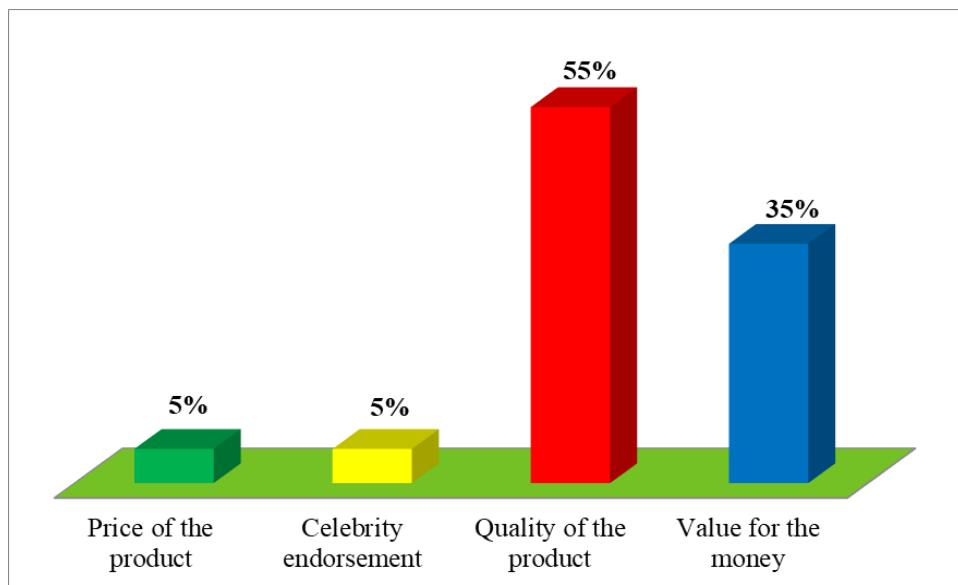
**Respondent's perception towards “Essential factors for companies in the smart cities to promote their products through digital marketing”**



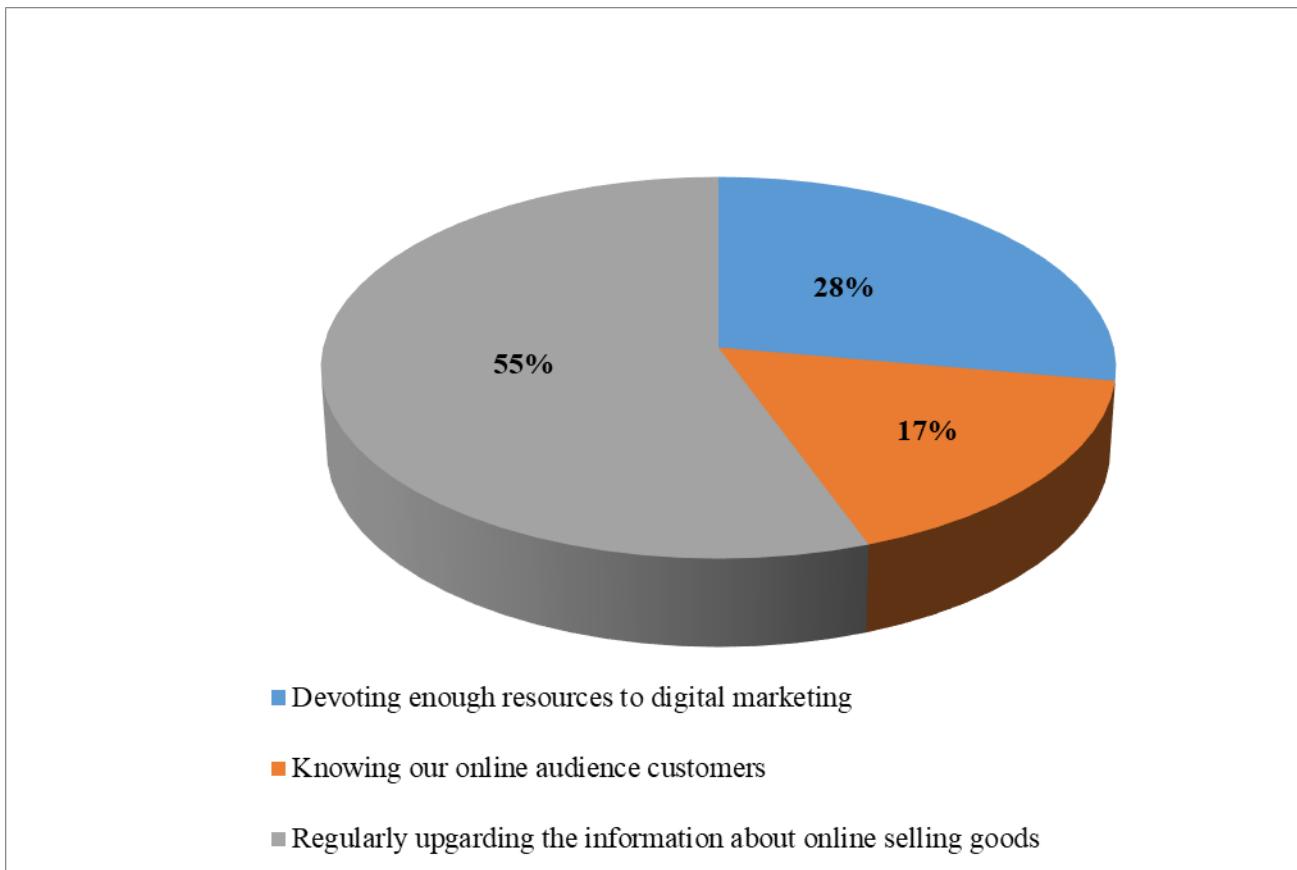
**Respondent's perception towards “ Make In India is equally contributing to digital marketing to the Prime Minister Narendra Modi’s vision Digital India ”**



**Respondent's perception towards “Influencing parameters for consumers to purchase the branded products through digital marketing in smart cities”**



**Respondent's perception towards “Other means of strategies influencing digital marketing in smart cities”**



## **CONCLUSION**

The following are some of the valid conclusion of my survey,

1. 65% of the respondents have stated that digital marketing is one of the key components in smart cities.
2. 85% of the respondents have stated digital marketing is the feasible marketing technique in smart cities.
3. 45% of the respondents have stated that free Wi-Fi enabled city is the motivating factor for the citizens of smart city to go ahead with digital marketing in smart cities and 25% of the respondents have stated that high tech telecommunication service is also the second motivating factor for the citizens of smart city to go ahead with digital marketing in smart cities.
4. 70% of the respondents have accepted that smart cities make smart marketers and smart consumers.
5. 75% of the respondents have clearly stated that digital marketing is not only accessed by literates but also illiterates, as it convinces the consumers through several facets.
6. 35% of the respondents state that digital marketing promotes market potential of only branded products in smart India.
7. The most important motivating factor for the companies in the smart cities to promote their products through digital marketing is quality assurance through valid certification.
8. Regularly upgrading the information about online selling goods also happens to be the motivating factor for the companies in the smart cities to promote their products through digital marketing.
9. 85% of the respondents state that “Make in India” is equally contributing to digital marketing to the Prime Minister’s Narendra Modi’s vision “Digital India”
10. 55% of the respondents state that Quality of the product is the influencing parameters for consumers to purchase the branded products through digital marketing in smart cities and 35% of the respondents state that Value for money

is the second influencing parameters for consumers to purchase the branded products through digital marketing in smart cities.

11. 55% of the respondents state that the best strategy influencing digital marketing in smart cities is regularly upgrading the information about online selling goods
12. Another important strategy influencing digital marketing in smart cities is devoting enough resources to digital marketing.
13. Last but not the least the important strategy influencing digital marketing in smart cities is knowing our online audience customers.

Finally, Digital marketing is undoubtedly complex but there are some simple truths that we need to accept. The marketing strategies need to be very value-conscious. They may or may not have purchasing power, but they can make a difference to the company's growth if concentrated. Gone were the days when a consumer had to go to a nearby town or city to buy a branded product. The growing power of the consumer through technology is an opportunity for the companies to flock to the markets.

Thus, looking at the challenges and the opportunities, which offer to the marketers, it can be said that the future is very promising for those who can understand the dynamics of digital marketing and achieve it to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning (growing) markets is called for, so they can successfully impress on the million consumers spread over.

Any starting venture in market must have to look into these aspects and after that, schedule their next steps, because one-step wrong from their side can ruin their whole brand image in parts of the India also.

## **QUESTIONNAIRE**

Name: \_\_\_\_\_

Gender : Male (  ). Female (  ).

1. Is digital marketing one of the key components in smart cities ?
    - a. Yes ( )
    - b. No ( )
    - c. No Idea ( )
  2. Whether Digital marketing is the feasible marketing technique in smart cities?
    - a. Yes ( )
    - b. No ( )
    - c. No Idea ( )
  3. According to you, which of the following are the motivating factors for citizens of smart city to go for digital marketing?
    - a. Free wi-fi enabled city. ( )
    - b. High tech telecommunication services ( )
    - c. Security Alerts. ( )
    - d. Others ( )
  4. According to you, do Smart cities make smart marketers and smart consumers?
    - a. Yes ( )
    - b. No ( )
    - c. No Idea ( )
  5. According to you only literate consumers can access digital marketing in smart cities?
    - a. Yes ( )
    - b. No ( )
    - c. No Idea ( )
  6. According to you, whether digital marketing promotes market potential of only branded products in smart cities?
    - a. Yes ( )
    - b. No ( )
    - c. No Idea ( )
  7. According to you, which of the following are the essential factors for companies in the smart cities to promote their products though digital marketing?
    - a. Discounts & Offers. ( )
    - b. Less Price ( )
    - c. Quality assurance through valid certification. ( )
    - d. Regularly upgrading the information about online selling goods( )
  8. According to you, the role of “Make in India” is equally contributing to digital marketing to the Prime Minister Narendra Modi's vision “Digital India”.

- a.** Yes ( )  
**b.** No ( )  
**c.** No Idea ( )
- 9.** According to you, which of the following are the Influencing parameters for consumers to purchase the branded products through digital marketing in smart cities?  
**a.** Price of the product. ( )  
**b.** Celebrity endorsement. ( )  
**c.** Quality of the product. ( )  
**d.** Value for the money. ( )
- 10.** According to you, which other means of strategies can influence digital marketing in smart cities.  
**a.** Devoting enough resources to digital marketing ( )  
**b.** Knowing our online audience customers ( )  
**c.** Regularly upgrading the information about online selling goods ( )

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# **OCCUPATIONAL SPIRITUALITY – AN INNOVATIVE STRATEGY TO ENRICH SERVICE ZONE**

**Dr. Siddaling C. Talikoti**

Assistant Professor

B.L.D.E.A's

A.S. Patil College of Commerce (Autonomous)

MBA Programm Vijayapura – 586101

**Email:** siddaling\_statistics@yahoo.co.in

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## **ABSTRACT**

**W**ith the buzz of globalization, stress has not only become a matter of critical concern but also is unbalancing personal and professional life of every individual. By this unbalance we are witnessing several tragedies and management crisis globally. To balance this, the area to be focused is occupational spirituality which plays a vital role in solving this issue and shall continue to do so for global peace and prosperity in future years. Off course, in this current scenario of true globalization, there is a great emphasis to overcome stress or to handle stress with care. Several theories and practices are being developed and implemented to resolve this authentic cause; the resolution is bridging only a mere small gap. Bridging this gap strongly with interest in occupational spirituality shall make the world strongly realize global peace and prosperity.

The paper being focuses mainly on explaining

1. How spirituality can navigate successfully to balance stress and work life.
2. How to raise the level of interest in spirituality for employees in their occupation.
3. The need and importance of spirituality for managers.
4. Findings and conclusions.

## **Research Methodology**

Research would be carried out with a sample of 60, from the MBA department, to explore on the above mentioned objectives. The methodology would be drafting of a questionnaire based on the above mentioned objectives of the paper and analyzing the data.

**Key words:** Spirituality, Globalization, Corporates, Management Crisis, Stress.

## INTRODUCTION

In this vibrant world, the ambition of every organization or any individual is to grow globally and simultaneously it has also become inevitable for any common man to meet the nearest phase of globalization. Obviously it's unavoidable to face the challenges and hindrances of work place. As time is marching ahead, human wants, needs & desires also are marching equally. In today's work environment we notice several vital improvements like change of technology, usage of technical aid, which has not only served the needs but also improved the working speed to its maximum. With this buzz of globalization even the common man or woman will not remain immune to new phenomenon that appeared to have transformed their lives in ways they could not have imagined before. Not only public intellectuals, politicians and tycoons but also the masses have appeared to change with almost every aspect of human existence by this alien force 'Globalization'.

With the buzz of globalization, stress has become a matter of critical concern which is unbalancing personal and professional life of every individual. By this unbalance we are witnessing several tragedies and management crisis globally. To balance this, the area to be focused is 'Occupational spirituality' which plays a vital role in solving this issue and shall continue to do so for global peace and prosperity in future years. Off course, in this current scenario of true globalization, there is a great emphasis to overcome stress or to handle stress with care. Several theories and practices are being developed and implemented to resolve this authentic cause; the resolution is bridging only a mere small gap. Bridging this gap strongly with interest in spirituality shall make the world strongly realize global peace and prosperity.

It's not the sole duty of an individual to contribute for the global peace but a social obligation of every citizen as their accountability for a better prosperous world. It's not a mere myth that spirituality is vital vitamin for global peace and prosperity but a reality that ensues to be the strongest manifest feature navigating successfully towards globalization. The interest in spirituality for youths shall subsidize to conquer humanity in all the angles and dimensions.

## **Basic Meaning of Spirituality**

As the word spirituality can be split in the following pattern,

$$\text{Spirit} + \text{Uality} = \text{Spirituality}$$

The root word spirit means “Strength Of Mind” and the suffix “-uality” qualifies the use of “spirit” in this instance. So a basic definition of spirituality is the quality of one’s sensitivity to the things of the spirit. And what are these things of the spirit? These are those that cannot be directly perceived by our senses but whose effects can be deduced or inferred by our observations, like love, justice, peace, etc.

Basic to this understanding of spirituality is the premise that we regard the human being and/or the rest of creation as composed not only of matter, but of something immaterial, something invisible, and something beyond our present knowledge. There is always more to what we can perceive with our senses and know with our reason.

So the basic meaning of spirituality is that it is a term which encompasses everything that we cannot see directly with our eyes, directly perceive by the other senses and know by our mere reason. That is spirituality in its basic meaning.

### **“Spirituality A Path”:**

Several scholars, academicians, religious pontiffs have been defining the word spirituality with respect to their areas of interest coupled with traditions and customs. In reality every individual is under constant confusion to locate actual meaning of this superpower word Spirituality. But to a greater extent it is believed that spirituality is a path towards one or more of the following:

- i. A higher state of awareness, perfection of one's own being, wisdom.
- ii. Communion with God or with creation.
- iii. The Vedas and Upanishads also describe spirituality as a path of transformation.

Spirituality as a path entails meditation, prayer, and the contemplation of sacred texts; ethical development and some sort of spiritual transmission, sometimes through a

preceptor. Spirituality as a path aims both at inner growth and outward manifestations of this growth. As a path, Love and/or compassion are often described as the mainstay of spiritual development.

Spirituality can be referred to an ultimate or immaterial reality; an inner path enabling a person to discover the essence of their being; or the “deepest values and meanings by which people live. The journey of spirituality practices exercises like meditation, prayer and contemplation, are intended to develop an individual's inner life; such practices often lead to an experience of connectedness with a larger reality, yielding a more comprehensive self; with other individuals or the human community; with nature or the cosmos; or with the divine realm.

### **Why Spirituality in Occupation?**

Today the world is facing management crisis globally. There are constant shake-outs every now and then. The rising economic crises are witnessing many corporate scams and people who were once revered as business leaders are now getting cursed. This harmful crisis needs to be taken care at the very root level before the entire well established management paradigm stops working totally.

The visible problem is that true globalization based on unity is still eluding the world where a sense of connectedness, trust, inter-dependence, and healthy exchange and sharing of ideas, resources and knowledge can take place amongst the citizens of the world. Thus it is strongly realized now by the world that leadership, organizations and various professional disciplines should have to come out of their self-interests and bring about the change in the world based on connectedness, love trust and harmony so that peace and prosperity across the world can be achieved. Accordingly, it can be strongly proved that spirituality is the vital vitamin for global peace and prosperity. Today we notice interest in spirituality has grown among scholars, practitioners and professionals and has become a subject of serious discussion. This interest shall surely surmount the management crisis globally by implementing the following innovative curriculum in management education system.

Majority of the corporates have population below the age of 35 years. The young generation is playing a vital role in corporates, which is navigating to nation building, and shall continue to do so. Thus nation development leads to globalization. The nation development is highly dependent on these youths. The youths are socially responsible and moreover dedicatedly to see themselves in developed status in fine flying colors.

As great scholars have stated that "**Time is not evaluated by what has been harvested, but what has been planted**". Thus young people are crucial segment of a nation's development. Their contribution therefore is highly needed. Young people are social actors. Youth are not only the leaders of tomorrow, but also the partners of today. **Youth** can carry the whole country on the road of progress with their fast speed. Youth is that spark which needs no ignition. Youth is that clay which can be molded in either shape one wants. He can carry the country towards new lights of prosperity. He can do economic, social and spiritual development with his intellect. All above things are only possible when youths know their responsibility. But these days we see all thing inverses. We see old and child in any social function or social activities but we do not see young or youth. Reason is clear. We can see them in theater, clubs and drinks shops .All these shops are ending the power of our youths. We will not find them in benevolence activities. Rising of 1or 2 young can works as spark but for making the fire of revolution , it is very necessary all youth's contribution . If youths want to play a grateful role in nation, then they have to give the test for it.

Today, we deem USA, Frances, UK and Canada as the developed countries. Where as in the poor and underdeveloped countries the youths have become lazy. We can not develop nation by this laziness. Yes, if the youth identifies him, then there is no delay up to now. Once the passion of youth will awake, then we will see all the underdeveloped countries attaining the status of developed. As young people the youths must be ever ready and willing to take advantage of any opportunity that comes in their way. The young people are in a great position to make the dream global peace and prosperity into reality.

## **Need and importance of spirituality in occupation to balance stress and work life.**

As great scholars have stated "**If you do not change direction, you may end up where you are heading.**" It is important to note that the priceless resource of any country is its human resource. There is no other resource that matches human being, because mankind is the foundation or the corner stone of any development and civilization. Humanity is the only kind which navigates successfully to enlightenment path. Spirituality as a path happens to be the real backbone of humanity and uplifts life and inspires to kindness, patience, inner strength and a better life in general. Spirituality as a path covers the main world religions as all the religions are associated with special resource humans.

Today there seems to be a universal agreement that the ultimate objective of globalization is to have superior quality of happy life and do not want any pain or suffering. We all have different needs and desires, which if unfulfilled, can lead to a stressful situation. As we try to achieve these goals, many a times we find ourselves frustrated and helpless. This hampers the accomplishment of happiness and creates anxiety and constant nervous tension. It is then, that the people invoke a higher intelligence or a higher force like spirituality to help them cope with their inabilities and accept reality.

All the Buddha's of all the ages have been telling a very simple fact: Be - don't try to become. Within these two words, be and becoming, the whole life is contained. Being is enlightenment, becoming is ignorance.

Becoming always makes it essential to go beyond the income-related factors such as prices, production, people, place, usage of technology and productivity to a range of non-income factors that pressurizes quality of life and hence influences a huge amount of stress to every common man. Spirituality accomplishes the need of any common man without undergoing stress by preaching the ethics and etiquettes of humanity. Spirituality brings greatness all around us by what we have.

## **Role of Spirituality in the occupation to balance stress and work life:**

Spirituality is often experienced as a source of inspiration or orientation in life. It can encompass belief in immaterial realities or experiences of the immanent or transcendent nature of the world.

### **1. Spirituality is working Smart not working Hard:**

Spirituality is all about working smart, not working hard. With a spiritual approach one can attain everything that one ever wanted with minimum efforts. This is how universal intelligence works. Instead of toiling and struggling, one needs to flow effortlessly. It's like walking with the wind assisting you from behind. All one has to do, is to align oneself with spiritual laws and laws of nature and let these forces glide you to happiness.

### **2. Expanding your unlimited potential:**

Spirituality helps to create new ideas, new visions, creativity, and intuitive abilities to reach our aspirations. It helps to build a magnetic aura around you that attracts the people towards you. It creates an energy that gives a sense of security, power and fearlessness.

### **3. Better emotional intelligence:**

Handling emotions is perhaps the most difficult of all human abilities. We spend almost 75 per cent of our time trying to sort out the varied and complex emotions, while the other 25 per cent is spent in emotional reactions to the situation and the people around us. Negative emotions, literally drain our energy and affect the quality of our lives. Since it is difficult to manage these reactions with a logical mind, one need to resort to a process that helps us to rise above all that is depressing. This is where the spiritual approach helps us as it has the power to alter the negativity of the mind to a positive pattern.

### **4. Improve your life:**

Many spiritual traditions encourage participation in a community. Spiritual fellowship, such as attending meditation group can be sources of *social support* which may provide a sense of belonging, security, and community. Strong relationships have been proven to

increase wellbeing and bolster life expectancy, which is perhaps why one study found a strong association between church attendance and improved health, mood, and wellbeing.

## **5. Spiritual strength can help you overcome hardships:**

Having a strong spiritual outlook may help you find meaning in life's difficult circumstances. The spiritual practice of recognizing the interconnectedness of all life can also help buffer the pain that comes with difficult experiences. Researcher Kristin Neff says that "if we can compassionately remind ourselves in moments of falling down that failure is part of the shared human experience, then that moment becomes one of togetherness rather than isolation. When our troubled, painful experiences are framed by the recognition that countless others have undergone similar hardships, the blow is softened."

## **6. Spiritual people make healthier choices:**

Adhering to a particular spiritual tradition may bring an indirect health benefit because many traditions have rules about treating the body with kindness and avoiding unhealthy behaviors. Research shows that perhaps because of these tenets, people who practice a religion or faith tradition are less likely to smoke or drink, commit a crime, or become involved in violent activity, and they are more likely to engage in preventative habits like avoiding fast food and junk food.

## **7. Spirituality may help you live longer:**

An exhaustive review that compared spirituality and religiousness to other health interventions found that people with a strong spiritual life had an 18% reduction in mortality. Giancarlo Lucchetti, lead author of the study, calculates that the life-lengthening benefits of spirituality can be compared to eating a high amount of fruits and vegetables or taking blood pressure medication. Although some researchers have suggested that the extent of spirituality's benefit on health is exaggerated, most researchers agree **there is a positive relationship between religious and spiritual practices and better health outcomes.**

## **8. Personal Stability:**

By implementing spirituality in the corporates to balance work life, employees can survive comfortably by adapting to the chaotically changing workplace. This implies personal stability of the employees.

## **9. Balancing Work/Personal Life :**

By implementing spirituality in the corporates to balance work life, the employees not only revisit what's important to them but also reprioritize their personal and professional life activities (based upon spirituality sourced values).

## **10. Greater performance:**

Based upon the research, through applying spirituality in the corporates, the employees will be in need for continuous learning driven from an inner passion. This shall prove greater performance of the team.

## **11. Work as Meaning:**

The employees shall not only get the answers to several questions but also can understand the meaning given for the answers. In today's workplace pressures, employees are asking, "What's meaningful work for me?" Such questions are answered with logical reasoning.

## **12. Work Force Reduction:**

Spirituality in corporates can demonstrate an increasing need to do more in less time.

## **13. Humanistic Organizational Cultures:**

Spirituality in corporates connects between an individual's personal values and the organization's practiced values.

## **14. Self-Management:**

Through spiritual quotient the employees in corporate shall solve their own problems through greater empowerment and creativity.

### **Ways of raising the level of interest in spirituality in occupation:**

Stressed, depressed while well-dressed is the profile of every second corporate employee. With growing stress employers are giving attention to comprehensive competency development and personal development for their employees to increase productivity. Tapping the presence of both corporate, especially IT employees and IT companies, the stress management courses are gaining more popularity in the area with the escalating number of corporate tie-ups.

With lack of interaction and interpersonal communication, stress level among employees goes up. The mid-level senior executives are the ones who are most stressed. Effective stress management classes are for the clients who are not just seeking help but also for employers who strictly believe that a happy employee is a more productive employee.

Just as we increase our levels of fitness by steadily increasing our exercise regime, the same is true in spiritual practice. If we do the same spiritual practice year in and year out it would lead to stagnation.

There are many ways of raising level of interest in spirituality in the corporates. They are all activities of the spirit. Some of these are stated as follows,

- a. Meditation Programmes.**
- b. Exercises on mind controlling.**
- c. Corporate Yoga.**
- d. Workshops on stress busting workshops.**
- e. Counseling.**
- f. Listening to music.**
- g. Laughing and sharing jokes with others.**
- h. Spending time in nature on weekends.**

- i. Walking through the woods.
- j. Forgiving our enemies.
- k. Doing works of charity.
- l. Visiting blind schools and orphanage.
- m. Outbound programmes.

### **Occupational Spirituality: an instrument to balance work life.**

Spirituality is heightened sense of self awareness. It is about “YOU”. How well you know yourself, your weaknesses & your strengths. How you channelize your thoughts and your energies both positive as well as negative. We all follow some form of religion; a following by birth, or as parental guidance; and, for some a personal choice. Spirituality is not the same as religion. Spiritually liberates you, Religion binds. Religion professes supernatural power; while spirituality is enlightening the power of self. Spiritually urges you to rediscover yourself; religion lets you lose yourself in cult.

The corporate world is tarnished with battles of superiority, control and power. Least do we know that we do not have control over our own self fully. Science has proven that we as humans have only evolved so far to expedite 5% or less of our true potential. We have control over ourselves only to that extend. Occupational Spirituality principles combine the heightened sense of self, about our surroundings, about our latent fears to find meaning, solace and success in corporate world. There are three things to these principles,

1. It is about understanding ourselves.
2. It is about understanding our environment.
3. It is about still excelling in a corporate framework.

### **Final Conclusion on “Occupational Spirituality – An innovative strategy to enrich service zone.**

## **RESEARCH METHODOLOGY**

The research methodology used here was exploratory research method with technique of quota sampling. The sample size being 60 of only MBA professionals and survey was on the basis of the following issues.

- a.** Interest in spirituality.
- b.** Spiritual exercises.
- c.** Spirituality in occupation.

All the respondents were briefed about occupational spirituality ( Need, Importance and its role). Finally they were asked to answer a questionnaire.

**Sample size** : 60.

**Sampling Technique** : Quota Sampling.

**Data collection Procedure** : Questionnaire technique.

**Objective of the study** : **a.** To explore interest of spirituality.

**b.** Implementation of Spiritual exercises.

**c.** Spirituality in occupation.

**After the survey some of the valid conclusions are as follows,**

- 1.** 95% of the respondents strongly agree that occupational spirituality will balance work life pressure
- 2.** 90% of the respondents state that Interest in spirituality strongly depends on their personal interest.
- 3.** 85% of the respondents agree that occupational spirituality will wipe off negative thoughts and powers of employees in corporates.

4. 85% of the respondents strongly agree that occupational spirituality makes employees to accept the things around them in a pragmatic way.
5. 90% of the respondents strongly agree that spiritual exercises help in managing stress of the employees in their occupation.
6. 100% of the respondents strongly agree that spiritual exercises are best balm in uncertain times for employees in their occupation.
7. 75% of the respondents agree that spiritual exercises realize “Being happy with myself is more important to me than having others approve of me”
8. 70% of the respondents agree that spirituality in school education can pave way to handle stress for future employees in their occupation.
9. 90% of the respondents agree that the consciousness of the spirituality in occupation in establishment makes the employees more accountable and makes the organization perform well.
10. 80% of the respondents strongly agree that occupational spirituality re-establishes the concepts of solidarity common responsibility and sustainable development.
11. 100% of the respondents strongly agree that spirituality in occupation is not to be interpreted in a narrow sense indicating a personal spiritual vision that focuses on God. It has to be focused on forces operating in the local and global context.
12. Finally, there exists a strong perfect positive correlation between interest in spirituality and work-life balance.

### **Challenges in Integrating Spirituality in occupation:**

1. Integrating spirituality in the corporates happens to be really challenging and intriguing process. It will be a constant turmoil to understand whether the employees are keenly interested in pursuing spirituality for them. To a greater extent employees believe that Spirituality concept is based on religions and religiousness.

2. Even among ‘believers’ there is a confusion and conflict of values of spirituality. One notices an insufficient knowledge of faith, careerism, self-centeredness and erosion of genuine traditional values by a transnational culture created by the media.
3. Spirituality is not static; it is not a destiny but a journey (Neiman, 2000).
4. Creating a safe environment for spiritual learning allows to further explore own spirituality and to find a means of expressing that in the classroom. This requires the cultivation of self-knowledge, of coming to know intimately the unfolding of own story. For a new employee this is the first step in developing a spiritually based practice.
5. Implementing of spiritual exercises requires highly skilled and trained mentors. It’s really difficult to recruit such personalities to mould future managers.
6. Even though spiritual exercises are very much valuable for employees, they are costly in terms of man & location.
7. The spiritual exercises should not rely on accretion of content, special areas of knowledge or profound research. It should depend on the faith experience of the learner however tentative it may be.
8. It is really challenging for the facilitator to provide a framework of reflective and prayerful enquiry for the purpose of wrestling with significant issues and complex values of life provided some people are capable and willing to guide that enquiry, respecting the freedom of the participants.
9. The facilitator needs to be resourceful and capable of drawing on the learner experience and stimulate reflection on experience through skillful questioning. Besides his/her personal example should challenge the learner.

#### **Tentative Solutions:**

1. There is need for deeper understanding and commitment to the unifying vision spirituality in occupation. The praxis proposed here is to be enriched by insights gained from contemporary educational psychology and deeper theological reflection.
2. There is need to develop a core group of people committed to this vision and trained in the praxis.
3. As in the case of ethics, the positive aspects of the integration of spirituality and management are to be emphasized.
4. There is need for greater exchange of expertise and experience among people who are working in this area.
5. Work life has become so demanding, fast paced, stressful, ambiguous, and chaotic that we are forced to seek values-based answers and ways of achieving personal stability from within. We have come to realize that our inner wisdom is the only source that will sustain our adaptation and stability in the long run.

**Tabulation of the data collected:**

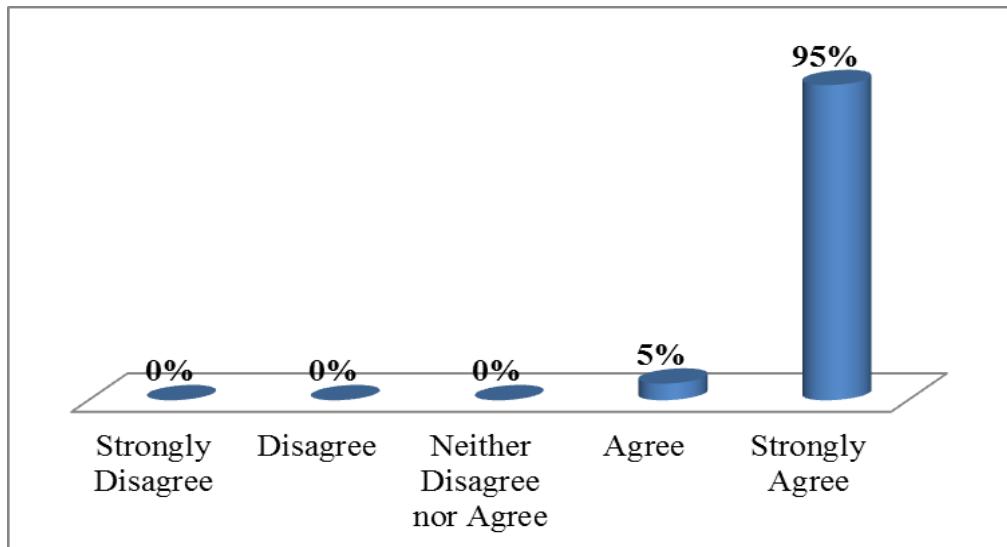
Sl No	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
1				5%	95%
3			15%	85%	
4				15%	85%
5				10%	90%
6					100%
7			25%	75%	
8			20%	70%	10%
9			10%	90%	
10				20%	80%
11					100%

Sl No	Personal Interest	Family back ground	Other Factors
2	90%	-	10%

Sl No	Perfect Positive	Perfect Negative	No Relation
12	100%	-	-

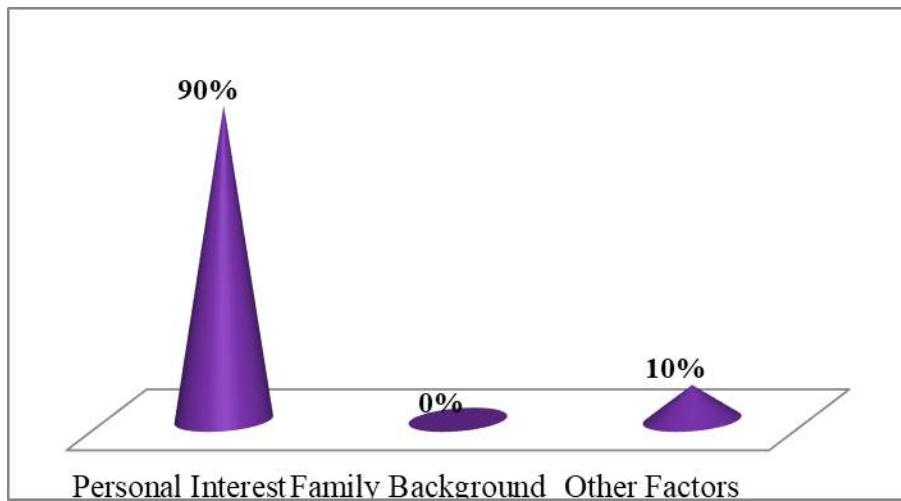
**Drawings:**

1. The following is the bar chart displaying the respondent's view about whether spirituality in occupation will balance work life pressure.



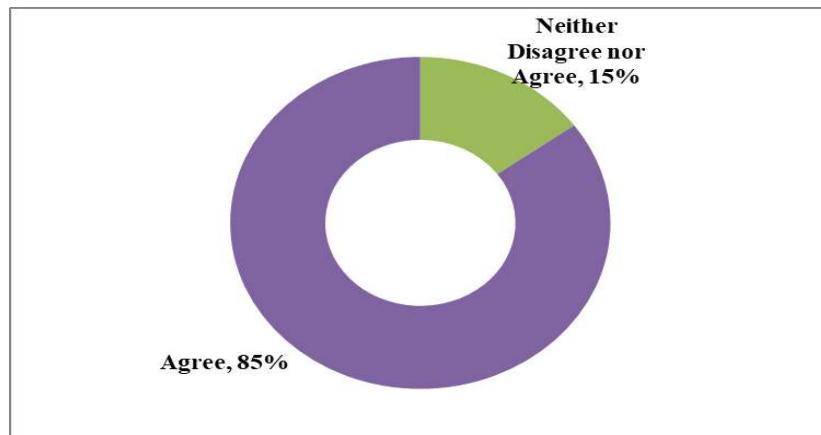
We clearly witness that 95% respondents strongly agree for the cause mentioned.

2. The following is the chart displaying the respondent's view of interest in spirituality.



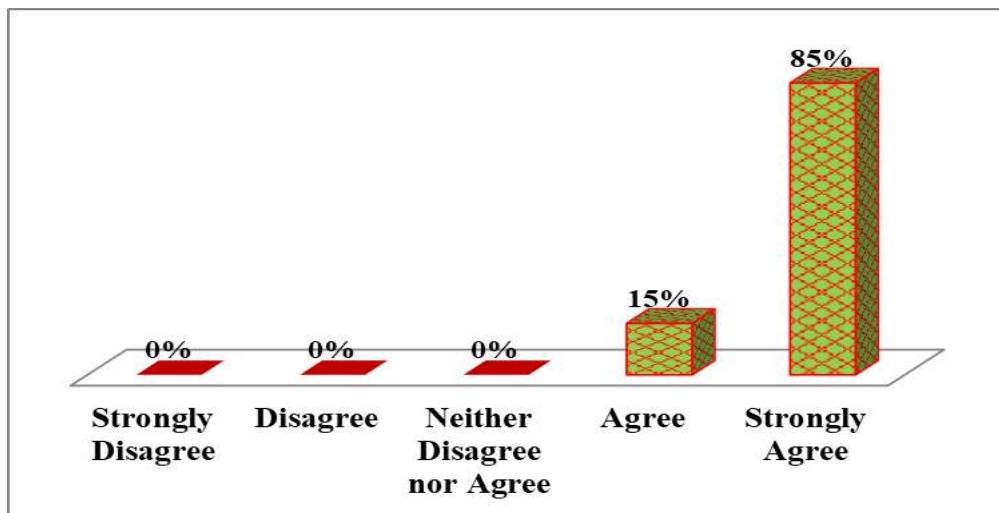
We clearly witness that majority (90%) of the respondent's state that interest in spirituality mainly depends upon their personal interest and 10% of the respondents state that interest in spirituality will be because of other factors.

The following is the chart displaying respondent's view about whether spirituality in occupation will wipe off negative thoughts and powers of employees.



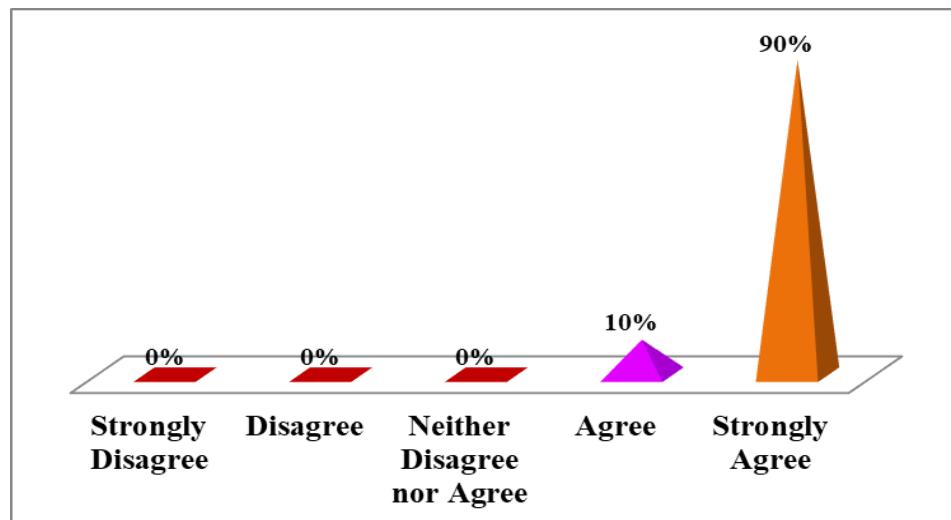
We clearly witness that 85% respondents strongly agree for the cause mentioned.

3. The following is the chart displaying respondent's view about whether spirituality in occupation makes employees to accept the things around them in a pragmatic way.



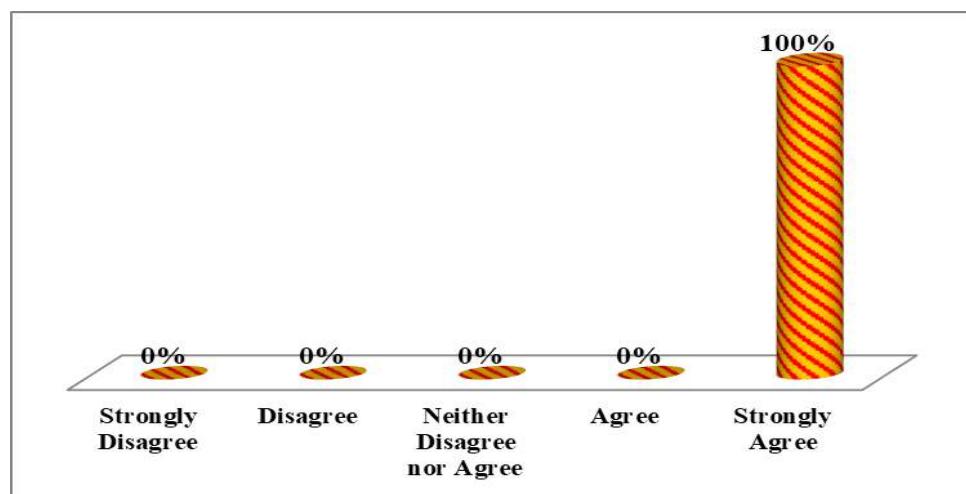
We clearly witness that majority (85%) of the respondents' state that spirituality in occupation makes employees to accept the things around them in a pragmatic way.

4. The following is the chart displaying respondent's view about whether spiritual exercises help in managing stress of employees.



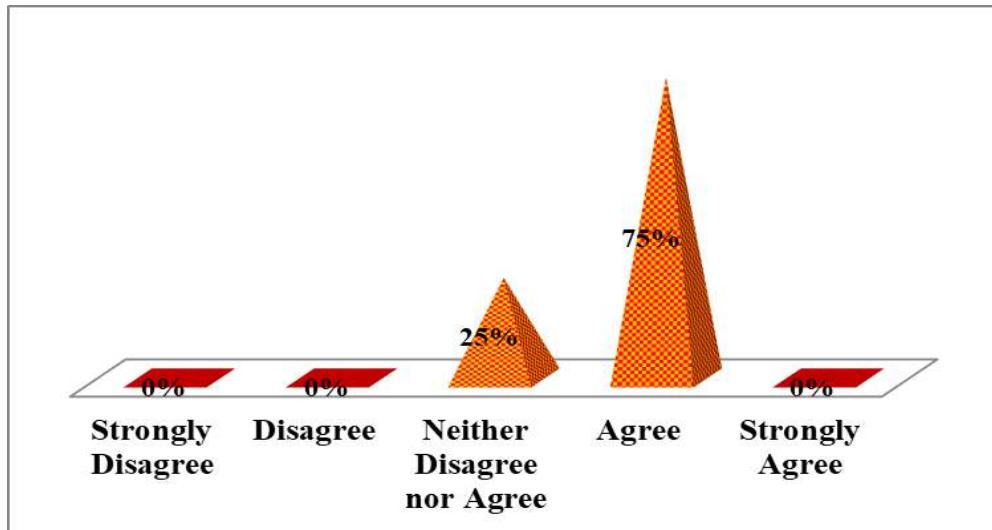
It is clearly observed that 90% of the respondents strongly agree that spiritual exercises help the employees to manage the stress.

5. The following is the chart displaying respondent's view about whether spiritual exercises are best balm in uncertain times of the employees.



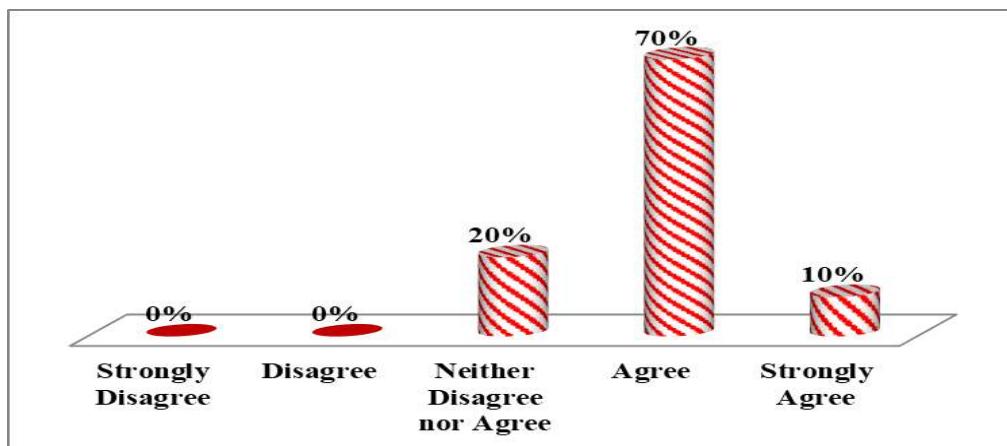
It is clearly observed that 100% respondents strongly agree for the cause mentioned.

6. The following is the chart displaying respondent's view about whether spiritual exercises realize "Being happy with myself is more important to me than having others approve of me"



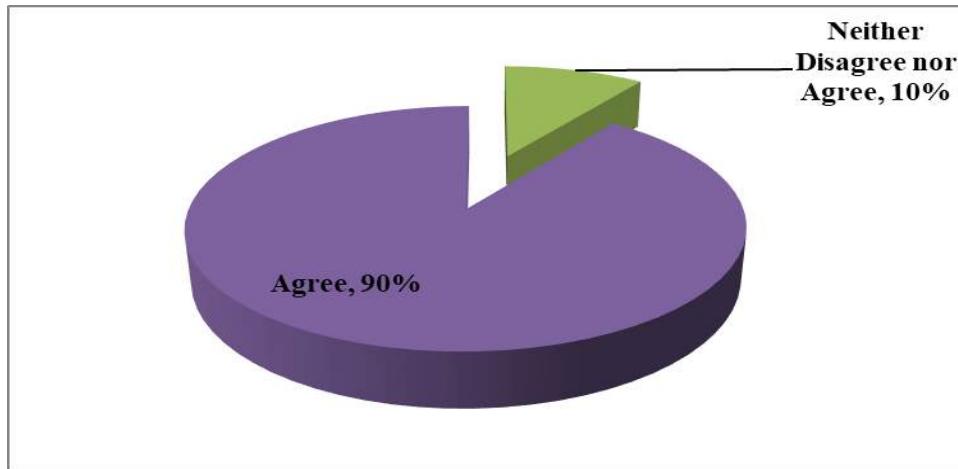
We evidently notice that 75% of the respondents agree that spiritual exercises make them to realize "Being happy with myself is more important to me than having others approve of me"

7. The following is the chart displaying respondent's view about whether Spirituality in occupation can pave way to handle stress for future mangers.



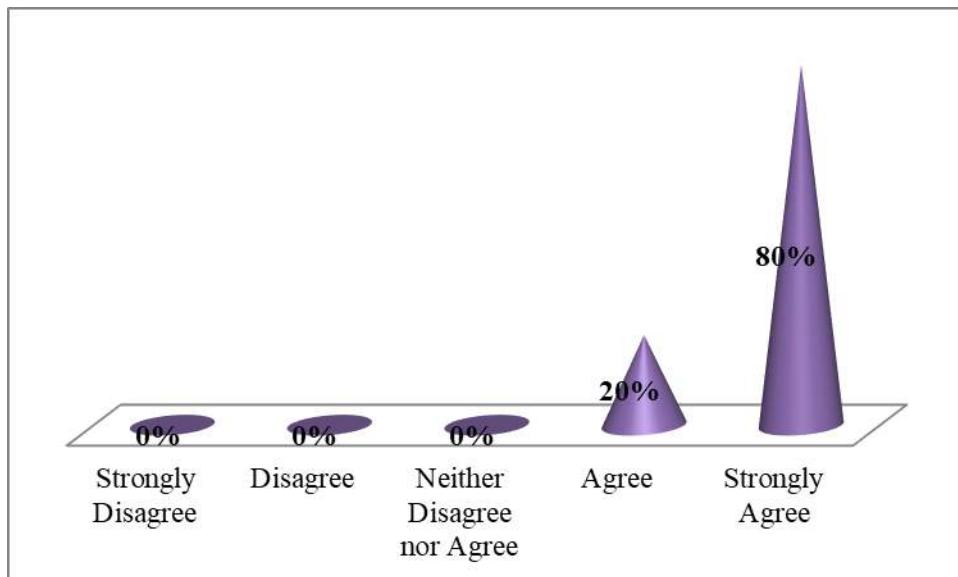
We evidently notice that 70% of the respondents agree that spirituality in occupation can pave way to handle stress for future mangers.

8. The following is the chart displaying respondent's view about whether "The consciousness of the spirituality in occupation in establishment makes the future managers more accountable."



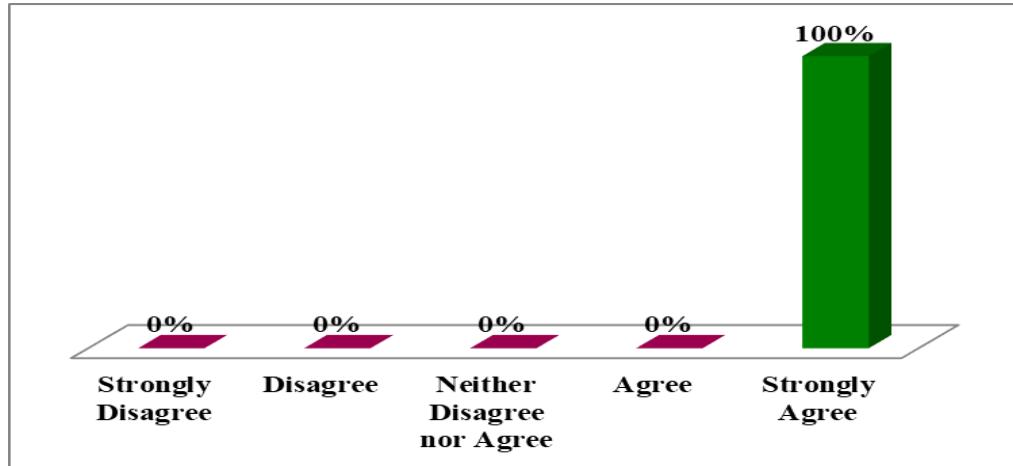
We clearly witness that 90% respondents agree for the cause mentioned and 10% neither disagree nor agree.

9. The following is the chart displaying respondent's view about whether "Spirituality in occupation reestablishes the concepts of solidarity common responsibility and sustainable development."



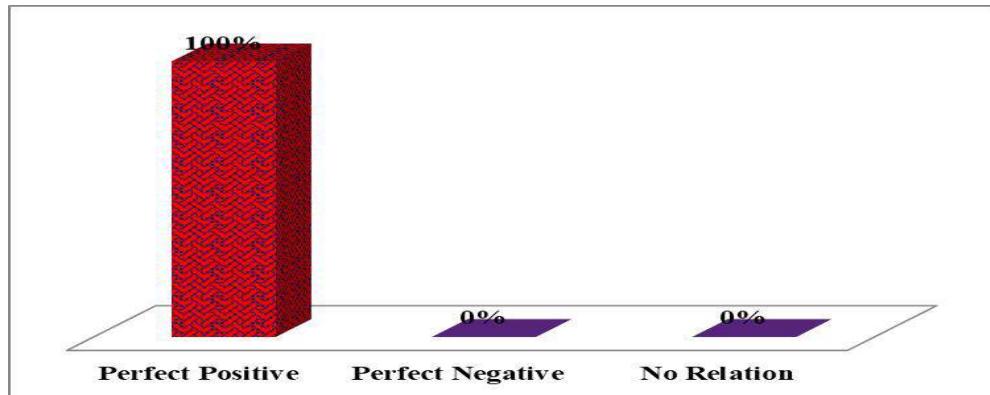
We visibly observe that 80% respondents agree for the cause mentioned.

- 10.** The following is the chart displaying respondent's view about whether "Spirituality in occupation is not to be interpreted in a narrow sense indicating a personal spiritual vision that focuses on God. It has to be focused on forces operating in the local and global context."



From the above display it is noticeably remarked that 100% respondents strongly agree the cause.

- 11.** The following is the chart displaying respondent's view about correlation between interest in spirituality and work life balance.



100% respondents clearly state that there will be perfect positive cor-relation between spirituality and work life balance.

## Questionnaire

Name:

Gender : Male

## Female

( Note : SD – Strongly Disagree. D – Disagree

ND/NA – Neither Disagree Nor Agree.

A – Agree. SA – Strongly Agree )

**1. Spirituality in occupation will balance work life pressure.**

SD  D  ND/NA  A  SA

**2. Interest in spirituality depends on the**

Personal interest.  Other Factors

Family background

3. Spirituality in occupation will wipe off negative thoughts and powers of employees

SD  D  ND/NA  A  SA

**4.** Spirituality in corporates makes employees to accept the things around them in a pragmatic way.

SD  D  ND/NA  A  SA

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**5.** Spiritual exercises help the employees to manage the stress.

SD  D  ND/NA  A  SA

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**6.** Spiritual exercises are best balm in uncertain times of the employees.

SD  D  ND/NA  A  SA

---

**7.** Spiritual exercises realize “Being happy with myself is more important to me than

having others approve of me”

SD  D  ND/NA  A  SA

---

**8.** Spirituality in corporates can pave way to handle stress for future managers.

SD  D  ND/NA  A  SA

---

**9.** The consciousness of the spirituality in occupation in establishment makes

the future managers more accountable.

SD  D  ND/NA  A  SA

---

**10.** Spirituality in occupation reestablishes the concepts of solidarity common

responsibility and sustainable development.

SD

D

ND/NA

A

SA

---

**11.** Spirituality in corporates is not to be interpreted in a narrow sense indicating a personal spiritual vision that focuses on God. It has to be focused on forces operating in the local and global context.

SD

D

ND/NA

A

SA

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**12.** The cor-relation between interest in spirituality and global peace and prosperity is

Perfect Positive

Perfect Negative

No Relation

*Valuable Suggestion for “To balance stress and work-life”:*

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# **ASSEMBLY ADVISING: THE VITAL VITAMIN FOR MAKING HIGH SKILLED & EXECUTING TEAMS IN THE WORKPLACE**

**Dr. Siddaling C. Talikoti**

Assistant Professor

B.L.D.E.A's

ASP College of Commerce (Autonomous)

MBA Programme Vijayapura – 586101

Email: siddaling\_statistics@yahoo.co.in

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## **ABSTRACT**

The last two decades have ushered in the knowledge and information era. Along with it came rapid changes in areas like technology, Communication, Work culture, women empowerment, lifestyles changes etc, Though the changes were global and rapid, vast numbers of people haven't really had enough time and understanding of the changed environs, to make a healthy adoptions. As a result we are witnessing some unhealthy repercussions like increased stress, lack of work life balance, improper anger management, lifestyle related disorders, low self-esteem, lack in self confidence. Quite often when these concerns grow beyond the individual's tolerance threshold, it begins to tell on the personal and professional life. Stress impacts concentration and motivation levels at work, as well as causing decreased job satisfaction and employee morale leading to overall decrease in productivity. Stress in personal life due to marital problems or other family problems also causes decreased concentration levels, poor motivation and absence from work in cases of domestic violence. Most often working professionals lack the time to go out to meet a counselor. There is also a concern of being seen at counselor's office although stigma has largely reduced. This makes them shy away from seeking help. Thereby keeping the problem alive and burning. By introducing "Assembly Advising" as an Employee Awareness Programme, companies gain by seen as benevolent and genuinely caring for the well being of employee. This not only helps in addressing the immediate concern of decreased productivity, more importantly it helps to reduce stress related attrition. By getting freedom from stress through Assembly Advising, facilitated by the company, employees not only feel empowered and highly motivated, there is also increased loyalty towards the company.

The paper “**Assembly Advising**” focuses mainly on explaining

1. The need and importance of Assembly Advising at workplace.
2. How Assembly Advising can navigate successfully towards creating competent team building.
3. Innovative methods of practicing Assembly Advising in the corporates.
4. Advantages and Disadvantages of Assembly Advising.
5. Problems in Assembly Advising at workplace.
6. Findings and conclusions.

**Research Methodology:** Research was carried out with a sample of 60, from the MBA department, to explore Interest in Assembly Advising. The methodology was drafting of a questionnaire based on the above mentioned objectives of the paper and analyzing the data.

**Key words:**

Assembly Advising, Globalization, Work place, Team Building, Stress.

## **INTRODUCTION**

Counselling or advising is a wonderful twentieth-century invention. We live in a complex, busy, changing world. In this world, there are many different types of experience that are difficult for people to cope with. Most of the time, we get on with life, but sometimes we are stopped in our tracks by an event or situation that we do not, at that moment, have the resources to sort out. Most of the time, we find ways of dealing with such problems in living by talking to family, friends, neighbours, priests or our family doctor. But occasionally their advice is not sufficient, or we are too embarrassed or ashamed to tell them what is bothering us, or we just don't have an appropriate person to turn to. Assembly advising is a really useful option at these moments. In most places, Assembly Advising is available fairly quickly, and costs little or nothing. The counsellor or advisor does not diagnose or label you, but does his or her best to listen to you and work with you to find the best ways to understand and resolve your problem. For the majority of people, between one and six meetings with a counsellor are sufficient to make a real difference to what was bothering them. These can be precious hours. Where else in our society is there the

opportunity to be heard, taken seriously, understood, to have the focused attention of a caring other for hours at a time without being asked to give anything in return?

Being a counsellor or advisor is also a satisfying and rewarding work role. There are times when, as a counsellor, you know that you have made a profound difference to the life of another human being. It is always a great privilege to be allowed to be a witness and companion to someone who is facing their own worst fears and dilemmas. Being a advisor is endlessly challenging. There is always more to learn. The role of advisor lends itself to flexible work arrangements. There are excellent advisors who are full-time paid staff; others who work for free in the evenings for voluntary agencies; and some who are able sensitively to offer a counselling relationship within other work roles, such as nurse, doctor, clergy, social worker or teacher.

This paper is about Assembly Advising. It is a paper that celebrates the creative simplicity of advising as a cultural invention which shall make a huge contribution to the quality of life of millions of people. The aim of this paper is to provide a framework for making sense of all the different aspects of counselling as it exists in contemporary society, while not losing sight of its ordinary simplicity and direct human value.

### **Need of Assembly Advising**

The last two decades have ushered in the knowledge and information era. Along with it came rapid changes in areas like technology, Communication, Work culture, women empowerment, lifestyles changes etc, Though the changes were global and rapid, vast numbers of people haven't really had enough time and understanding of the changed environs, to make a healthy adoptions. As a result we are witnessing some unhealthy repercussions like increased stress, lack of work life balance, improper anger management, lifestyle related disorders, low self-esteem, lack in self-confidence. Quite often when these concerns grow beyond the individual's tolerance threshold, it begins to tell on the personal and professional life. Stress impacts concentration and motivation levels at work, as well as causing decreased job satisfaction and employee morale leading to overall decrease in productivity. Stress in personal life due to marital problems or other family problems also

causes decreased concentration levels, poor motivation and absence from work in cases of domestic violence.

Most often working professionals lack the time to go out to meet a counsellor. There is also a concern of being seen at counsellor's office although stigma has largely reduced. This makes them shy away from seeking help. Thereby keeping the problem alive and burning. By introducing Assembly Advising as an Employee Awareness Programme, companies gain by seen as benevolent and genuinely caring for the well-being of employee. This not only helps in addressing the immediate concern of decreased productivity, more importantly it helps to reduce stress related attrition. By getting freedom from stress through counselling or advice, facilitated by the company, employees not only feel empowered and highly motivated, there is also increased loyalty towards the company.

In India, the awareness about need and importance of counselling is quite low as compared to foreign countries. But here as well, people now understand the need to communicate their deepest feelings to a counsellor inside of bottling them inside. Corporates have started keeping a position of counsellor who can deal with employee who requires counselling. This is quite an important step because the employees are the future of the company and if some things are holding them back then they do need expert advice to break free and live a fully cherished corporate life.

Assembly Advising is an employee support intervention that is usually short term in nature and provides an independent, specialist resource for people working across all sectors and in all working environments. Giving all employees access to a free, confidential, assembly advising service can potentially be viewed as part of an employer's duty of care. There is an urgent need of introducing and strengthening the assembly advising service in the companies of our country to meet the various needs of the service excellence and the overall system.

1. To help in the total and overall development of the employee.
2. To help in the proper choices of courses of action to be taken by employee.
3. To help in the proper choices of carvers.

- 4.** To help in the employees in vocational development.
- 5.** To develop readiness for choices and changes to face new challenges.
- 6.** To minimize the mismatching between education and employment and help in the efficient use of manpower.
- 7.** To motivate the freshers for self-improvement.
- 8.** To help freshers establish proper identity guidance and counselling service is needed to help employees deal effectively with the normal developmental tasks and face life situations boldly.
- 9.** To identify and motivate the employees from weaker sections of performance.
- 10.** To help the employees in their period of turmoil and confusion.
- 11.** To help in checking wastage and stagnation.
- 12.** To identify and help employees in need of special help.
- 13.** There are such employees as the gifted, the backward the handicapped who need special opportunities. They need special attention and opportunities.
- 14.** To ensure the proper utilization of time spent outside the offices. The manner in which employee spend their non-office hours clearly affects their success in achieving both professional competence and personal development of all types a positive direction to employees should be provided by influencing how they can use those non office hours
- 15.** To help in talking problems arising out of employee population explosion.
- 16.** To check migration to prevent brain drain.
- 17.** To make up for the deficiencies of home.
- 18.** To minimize the incidence of indiscipline.

## **How Assembly Advising can navigate successfully towards making high skilled & executing teams in the workplace.**

Counselling or advising is definitely one service that can help people learn to manage themselves. Different people since the beginning of mankind e.g. Parents, teachers, friends, elders, etc have used counselling in some way or the other. It was to the family doctor that people went most frequently. Today of course it is a very specialized service and a profession in itself. Pressure at work place and at home, lack of support system such as elders and the mismatch of expectations are the reasons for disharmony between employees & there is unfriendliness.

Employee counselling/advising has emerged as the latest HR tool to attract and retain the best employees and increase the quality of the workforce. In today's fast-paced corporate world, there is virtually no organization free of stress and stress-free employees. The employees can be stressed, depressed, suffering from too much anxiety arising out of workplace related issues like managing deadlines, meeting targets, lack of time to fulfil personal and family commitments, or bereaved and disturbed due to some personal problems.

Organizations have realized the importance of having a stress-free yet motivated and capable workforce. Therefore, many companies have integrated the assembly advising services in their organizations and making it a part of their culture. Organizations are offering the service of assembly advising to its employees.

Assembly advising can be defined as the provision of brief psychological therapy for employees of an organization, which is paid for by the employer. An 'external' service, such as an Employee Assistance Program (EAP), typically comprises face-to-face counselling, a telephone helpline, legal advice and critical-incident debriefing. In an 'in-house' service, counsellors may be directly employed by the organization.

Assembly advising offers employees a facility that is confidential, easily accessed (initial appointment normally within 2 weeks), provides a properly qualified and supervised practitioner, does not raise the threat of a diagnosis of psychiatric disorder, and promises to

alleviate distress within a reasonably short period of time (most services allow a limited number sessions in any one year).

Assembly advising offers the employer a service that is valued by employees, has the potential for savings by reducing sickness absence, takes pressure off managers through the availability of a constructive means of dealing with ‘difficult’ staff or situations, and contributes to its reputation as a caring employer. Workplace counselling is often viewed by employers as an insurance policy against the threat of compensation claims made by employees exposed to work-related stress.

### **Assembly Advising Can Navigate Successfully in Making High Skilled & Executing Teams in the Workplace Based on the Following Realities:**

1. Every company involves conflicts and conflict management is a skill that many of the employees lack in. Assembly advising will help the team members to bond better and make relationships smoother and with fewer conflicts.
2. Assembly advising also helps one improve the skill of decision making, reduce tension, maintain a better self-esteem and confidence and feel more positive and optimistic towards life. So, instead of pushing oneself in dark one can actually seek a professional counsellor and try live life with a better approach to it.
3. It is true that complications and problems are inevitable in human life but we all acknowledge the fact that great disasters also hurt less if we have someone to support us. If team members feel emotionally tired and helpless, employees must seek counselling from someone they trust. Sharing their problems does reduce the pain but if the issue is way too complicated then seek an expert advice from a counsellor.
4. Assembly advising should include what an employee did wrong, what the correct procedure is, and use an open dialog to make sure the employee understands what is expected. If an employee continues to make the same error, or errors that fall into a similar category, it may be that the employee needs more formalized training. With few exceptions, it's also unfair to write up employees for committing errors if they are unaware of what is expected. Better to hold an informal counselling session and

address the matter discreetly. If mistakes are serious, employees can be informed that subsequent violations may lead to formal documentation. The purpose here is to develop employees, not tear them down or punish them without due process.

5. Assembly advising also applies to developing career paths. And, just like in the situation above, managers can blow it here, too, thus by creating competent team.
6. Performance appraisals are for evaluating employee behaviour against what they know to do. But if they don't know what to do, employees should receive counselling. It's a proven, valuable, effective way to develop a better workforce.
7. We can evidently witness ample improvement in employee performance & therefore increase in productivity by assembly advising.
8. Absenteeism of the employees can be minimized by motivating personal growth of employees, by offering help in many situations that are causing emotional stress through assembly advising.
9. Assembly advising creates a culture for greater synergy in organizational learning and development with the employees.
10. Assembly advising help the employees to increase their self-awareness regarding their thinking patterns and behavioural tendencies so as to make them more effective as an individual and in turn effective in their job also.

### **Advantages and Disadvantages of Assembly advising:**

#### **Advantages:**

1. Get to touch the life of an employee.
2. The employees get an opportunity to work with a variety of professionals who are all concerned about the welfare of the team/company.
3. Employees build up their self-esteem and confidence.
4. The employees will also be able to change their attitude towards life after a few sessions of counselling.
5. With depression, the employees tend to think of the worst case scenario, leading to unhealthy ways reactions to situations. Plymouth State University notes that

counselling helps the employees to make better decisions, as the counselling teaches the patient how to deal with problems in a healthy way. For example, if the employee hurts herself in response to a disappointment, such as a poor grade, the therapist will teach the employee a safer way of dealing with that situation, such as doing breathing exercise. This skill can help the employee increase their self-confidence and work through problems.

6. In assembly advising employees learn from each other.
7. In assembly advising employees can practise new interpersonal skills in group.
8. In assembly advising employees hear a range of perspectives from the group members.
9. In assembly advising employees learn problem-solving skills.
10. In assembly advising, through giving and receiving feedback, employees give and receive peer support.
11. In assembly advising employees can come out of their isolation.
12. In assembly advising employees have an opportunity for validation.

### **Disadvantages**

1. Assembly advising might drain employees emotionally and physically.
2. Work for many people.
3. In assembly advising employees may have needs that are not met by the group.
4. In assembly advising employees may be resistant to participate in a group.
5. The assembly advising agency may not have sufficient employees to support a group.

### **Problems or difficulties in assembly advising at workplace:**

1. Assembly advising in the corporates is much challenging and painful. With the best will in the world, some situations may take a long while to shift or be literally impossible to change. Regardless of what employees believe, employees cannot change in their external life.
2. Organisations sometimes think that the assembly advising provision they are paying for should only be used to address issues directly relating to the employee's work life. While work-related issues, including stress, overwork, bullying and difficult colleagues, can of course directly impact an employee's performance, personal issues can have a similar negative impact.
3. Organisations that have people trained in assembly advising will be better able to handle their people issues than those that do not. But hiring good counsellor at organization is really tough task as the counsellor has to leave his regular clients and should attend the organizations.
4. Sometimes, the organizations are in confused state "When to counsel", from new managers to new products and technology, keeping up with all the change at any workplace, counselling can be overwhelming and frightening.
5. Assembly advising is a sensible investment. When employees know that the company cares about their well-being, morale and output improves. Sometimes the employees demoralize the company and its success, in such cases it is better to deal with problems early before they undermine the company and its success.
6. One counselling will not result in the immediate employee improvement. An employee may need an adjustment period and probably some time to steadily improve. Thus, cluster counselling requires extreme time.
7. The employees and managers together must be committed to the counselling process for the employee's efforts to improve and reward the employees. But due to status quotient, managers are not willing to undergo counselling with the employees.

8. Assembly advising is not about giving advice, but helping in understand difficulties of the employees (Personally & Professionally). Counsellor can work with the employees to help them make decisions and changes that may work better for them. But due to hesitant behaviour of employees, counsellors are lacking in meeting the nearest phase of corporate expectations.
9. Workplace counsellors should have a sound counselling diploma as a prerequisite, but how they gain their experience of working in organisations can be varied.
10. Workplace counsellors should be members of a professional association, such as the BACP. The BACP's register has been accredited by the Professional Standards Authority, which means that it meets high standards in respect of governance, standard setting, education and training, management, complaints and information. In addition, BACP members are bound by the association's highly regarded ethical framework for good practice in counselling and psychotherapy and are subject to its professional conduct procedure. Many BACP members are also accredited. These members have additional areas of expertise, skills and knowledge, on top of their original training. In order to retain their accredited status they are required to keep up to date with training and continuing professional development, and as such they are widely recognised as the “gold standard” within the profession.
11. Workplace counsellors now enjoy a long-established relationship with allied professionals, often working closely with HR representatives, trade unions, health and safety practitioners; However, it is important to remember that counsellors need to equip themselves with sufficient knowledge and skills to provide an employee with complete counselling.
12. Workplace counsellors offer support to people in organisations across all sectors, locations and sizes. Some organisations pay for counselling by recruiting a workplace counsellor either full time or part time, or on an ad hoc basis, depending on the size of the workforce. Several factors, primarily the size of the organisation and the funds available, dictate how counselling is provided within an organisation. More important than the type of service used is the understanding that counselling must be confidential

and voluntary, but is used as a conditional requirement or as part of a disciplinary process.

- 13.** Employee counselling needs to be tackled carefully, both on the part of the organization and the counsellor. The counselling can turn into a sensitive series of events for the employee and the organization; therefore, the counsellor should be either a professional or an experienced, mature employee.
- 14.** The counsellor should be flexible in his/her approach and a patient listener. The counsellor should have the warmth required to win the trust of the employee so that he/she can share thoughts and problems without any inhibitions.
- 15.** Active and effective listening is one of the most important aspects of the employee counselling.
- 16.** Time should not be a constraint in the process.
- 17.** The counsellor should be able to identify the problem and offer concrete advice.
- 18.** The counsellor should be able to help the employee to boost the morale and spirit of the employee, create a positive outlook and help employees to make decisions to deal with the problem.

## **RESEARCH METHODOLOGY**

The research methodology used here was exploratory research method with technique of quota sampling. The sample size being 60 of only MBA professionals and survey was on the basis of the following issues.

- a)** Assembly advising
- b)** Implementing assembly advising at corporates.
- c)** The interest of employees in getting counselled or advised.

All the respondents were briefed about assembly advising at workplace (Need, Importance and its role in corporates). Then respondents were made to experience one counselling exercise. Finally they were asked to answer a questionnaire.

**Sample size** : 60.

**Sampling Technique** : Quota Sampling.

**Data collection Procedure** : Questionnaire technique.

**Objective of the study** :  
 a. To explore interest of assembly advising.  
 b. Implementation of assembly advising at corporates.  
 c. Employees interest in getting counselled.

## HYPOTHESIS

**H<sub>0</sub>:** There is a perfect positive correlation between assembly advising making high skilled & executing teams in the workplace.

**H<sub>1</sub>:** There is a perfect negative correlation between assembly advising and making high skilled & executing teams in the workplace.

## FINDINGS:

**Tabulation of the data collected:**

Sl No	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
1	5%	5%	15%	25%	50%
3			15%	85%	
4			15%	15%	70%
5				5%	95%
6					100%
7			5%	15%	80%
8			10%	25%	65%

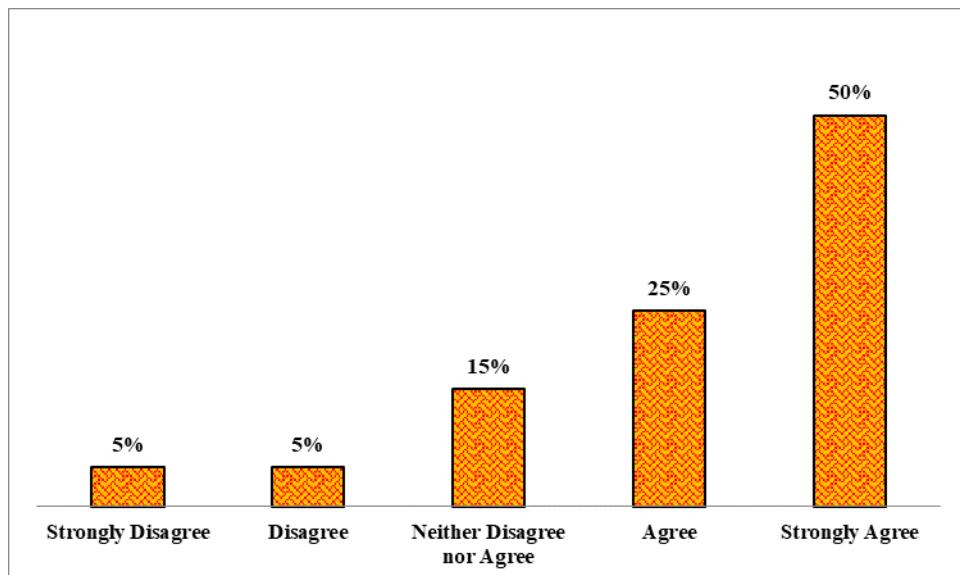
<b>9</b>			15%	25%	60%
<b>10</b>				10%	90%
<b>11</b>			20%	80%	
<b>12</b>					100%
<b>13</b>			5%	15%	80%

<b>Sl No</b>	<b>Personal Interest</b>	<b>Professional Pressure</b>	<b>Other Factors</b>
<b>2</b>	75%	15%	10%

<b>Sl No</b>	<b>Perfect Positive</b>	<b>Perfect Negative</b>	<b>No Relation</b>
<b>14</b>	100%	-	-

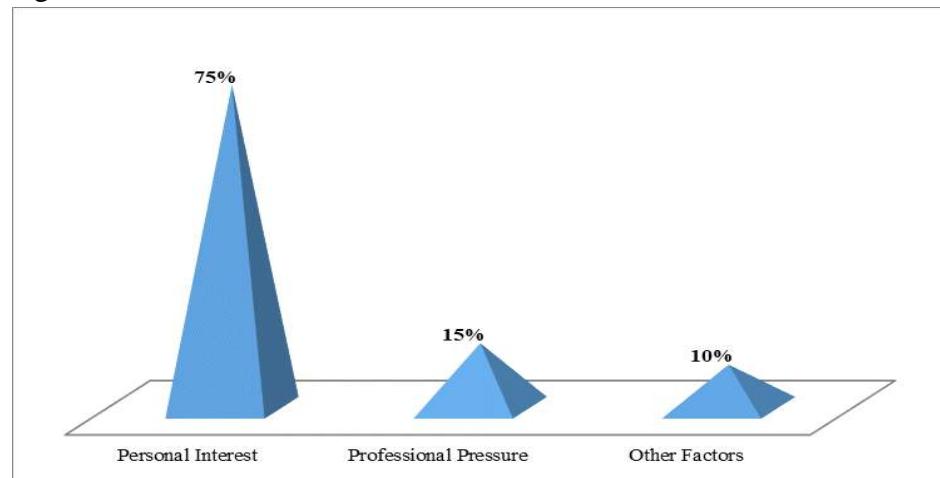
## DRAWINGS

- 13.** The following is the bar chart displaying the respondent's view about whether assembly advising will create competent high performance team.



We clearly witness that 50% respondents strongly agree for the cause mentioned.

- 14.** The following is the chart displaying the respondent's view of interest in assembly advising.

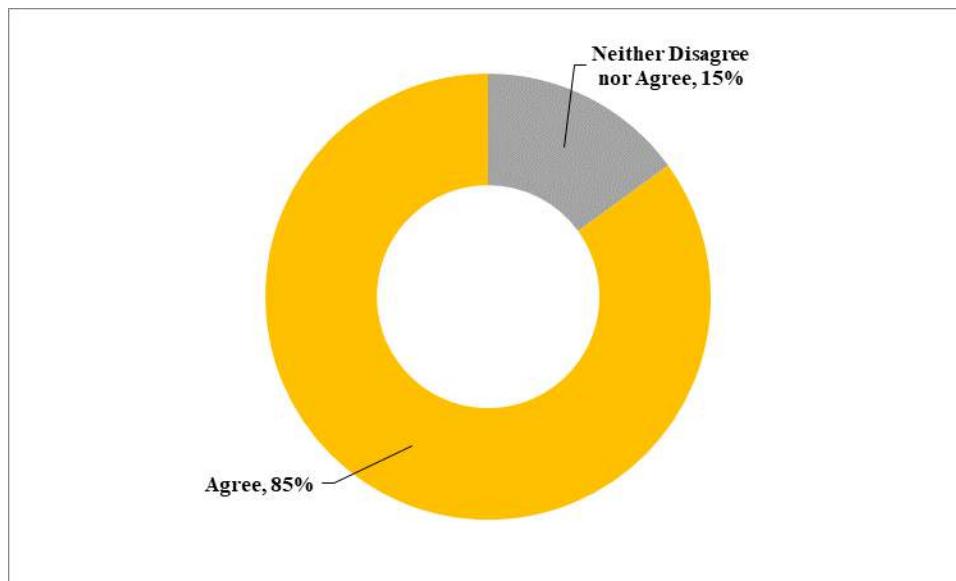


We clearly witness that majority (75%) of the respondents' state that interest in assembly advising mainly depends upon their personal interest.

15% of the respondents state that counselling in corporates will be because of professional pressure.

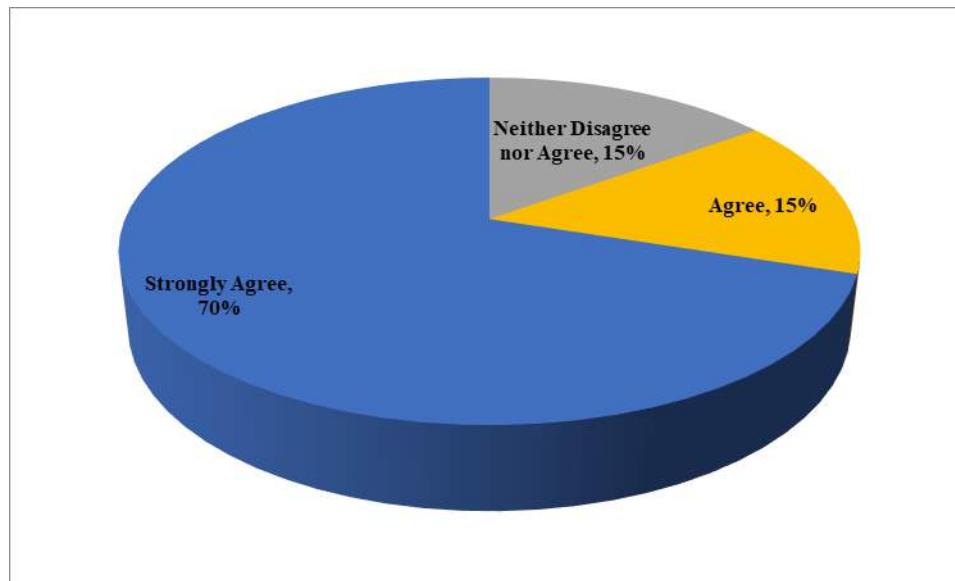
10% of the respondents state that interest in counselling will be for other factors.

- 15.** The following is the chart displaying respondent's view about whether assembly advising will wipe off negative thoughts of the employees.



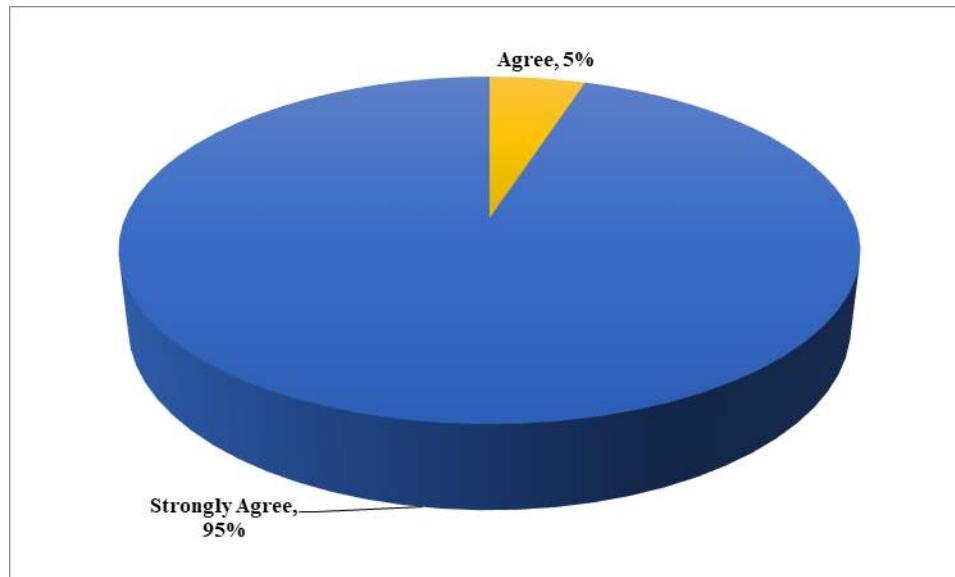
We clearly witness that 85% respondents strongly agree for the cause mentioned.

16. The following is the chart displaying respondent's view about whether assembly advising will support for employee's psychological, professional and personal welfare.



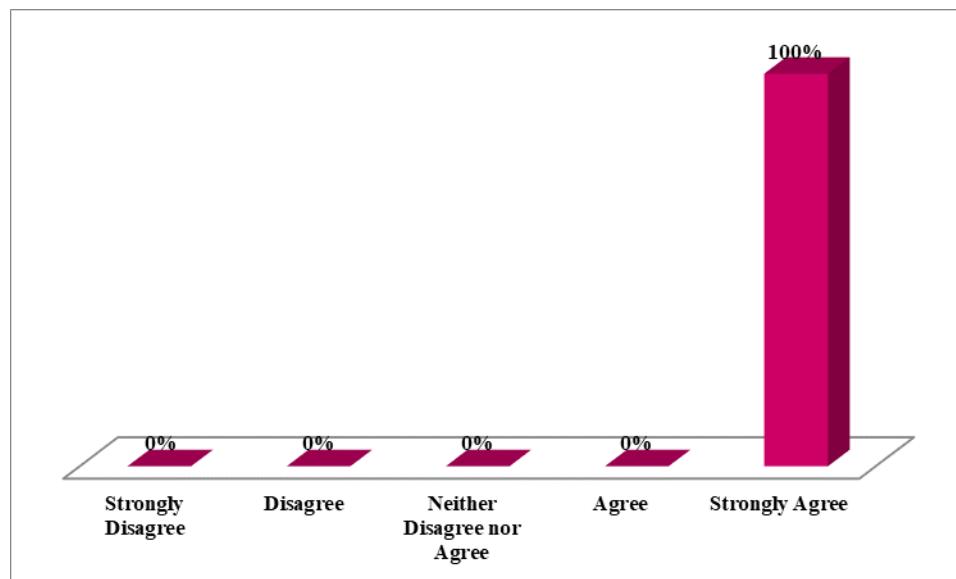
We clearly witness that majority (70%) of the respondents state that assembly advising will support for employee's psychological, professional and personal welfare.

17. The following is the chart displaying respondent's view about whether assembly advising will benefit for the business.



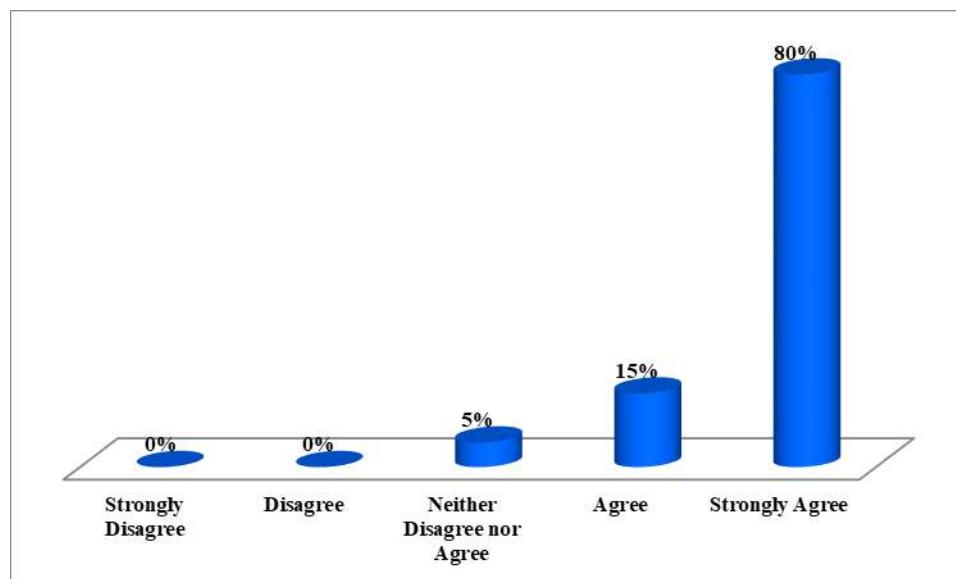
It is evidently noticed that 95% of the respondents strongly agree that assembly advising will benefit for the business.

18. The following is the chart displaying respondent's view about whether assembly advising helps in retention of valuable employees.



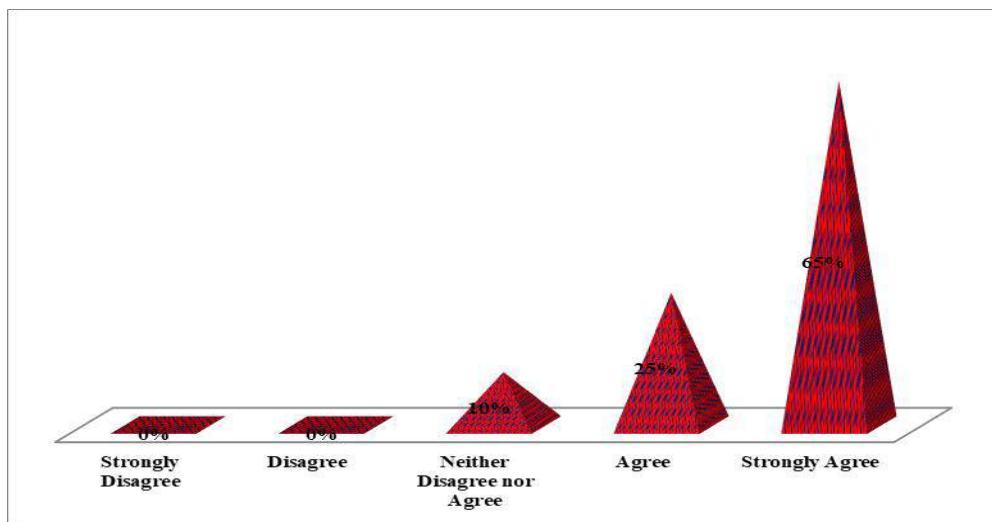
It is clearly noted that 100% of the respondents strongly agree that assembly advising helps in retention of valuable employees.

19. The following is the chart displaying respondent's view about whether assembly advising will reduce levels of stress in workplace.



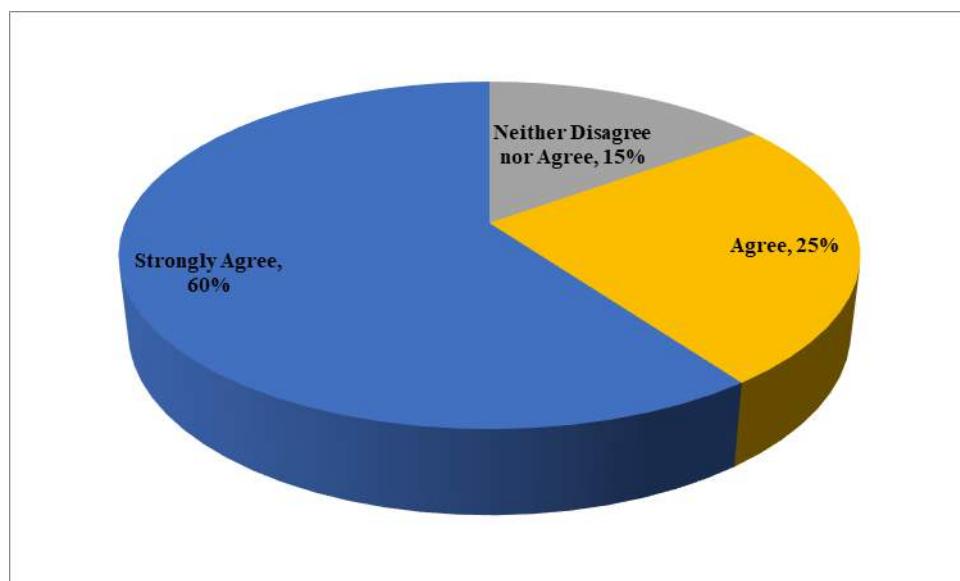
We clearly witness that majority (80%) of the respondents state that assembly advising will reduce levels of stress in workplace.

20. The following is the chart displaying respondent's view about whether through assembly advising there will be harmonious working environment.



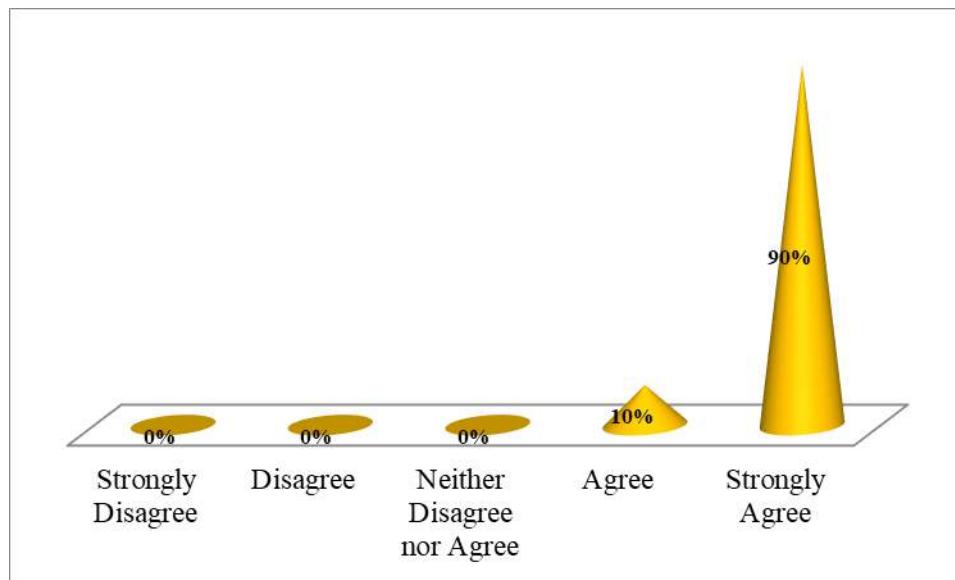
It is clearly observed that 65% of the respondents agree that through assembly advising, there will be harmonious working environment and the employees realize “Being happy with themself is more important than having others approve of them”

21. The following is the chart displaying respondent's view about whether assembly advising will reduce stress level of employees.



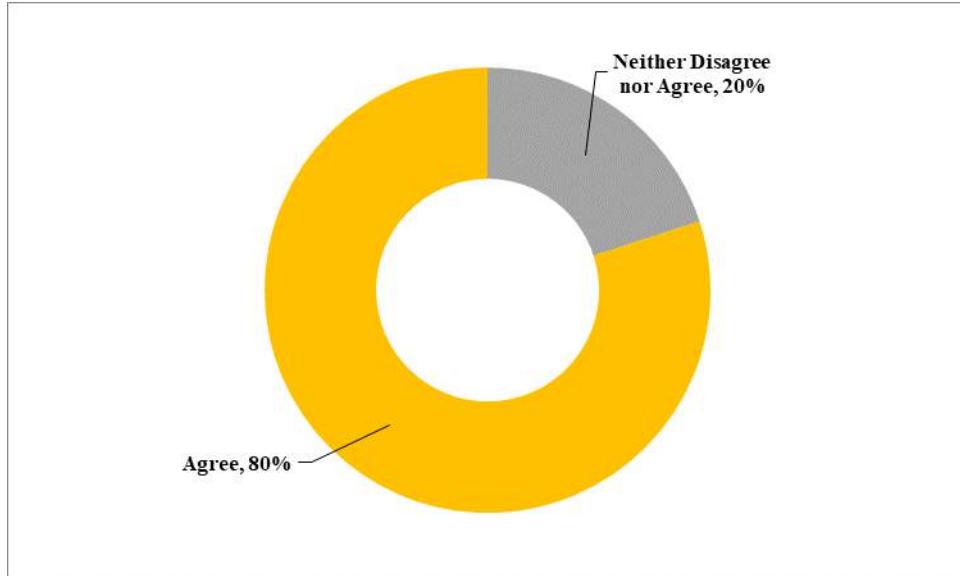
It is clearly observed that 60% of the respondents agree that assembly advising will reduce stress level of employees; thus reduction of stress level will enable the staff to be more courteous, creative, and able to concentrate longer. This will give a significant advantage in today's competitive and rapidly changing market.

22. The following is the chart displaying respondent's view about whether assembly advising in establishment makes the future managers and employees to lead better quality of life with good physical health.



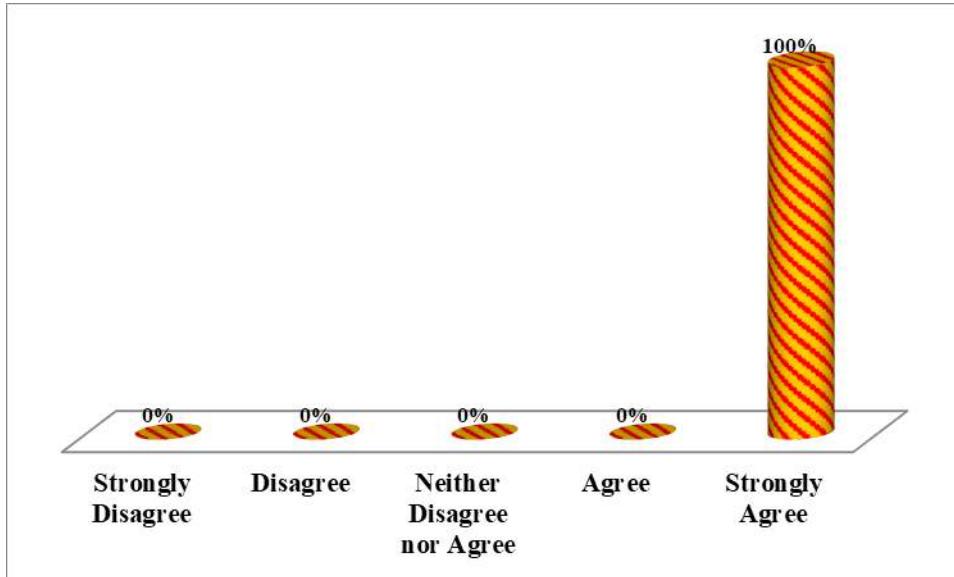
90% of the respondents agree that, the consciousness of the assembly advising in establishment makes the future managers and employees to lead better quality of life with good physical health.

23. The following is the chart displaying respondent's view about whether through assembly advising; an employee with problems will not disrupt the working environment of others



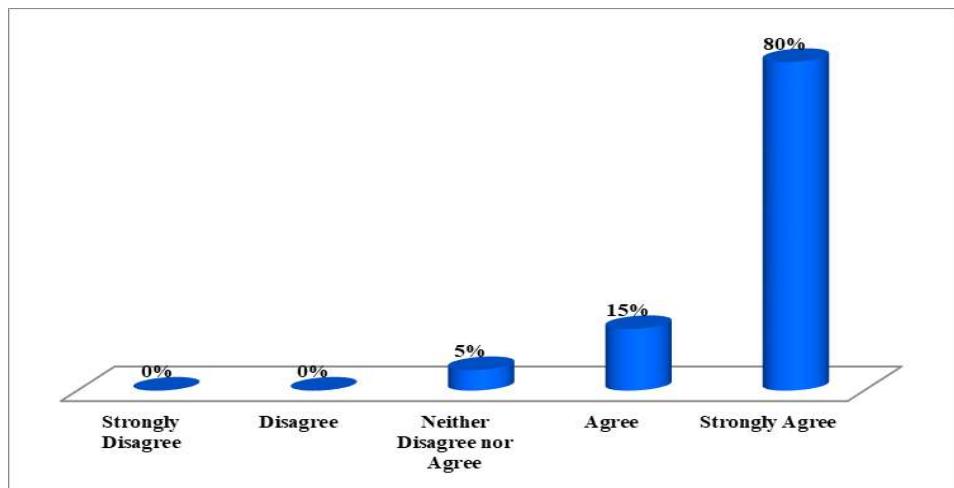
It is evidently noticed that 80% of the respondents agree for the cause mentioned.

- 24.** The following is the chart displaying respondent's view about whether assembly advising forces operating in the local and global context.



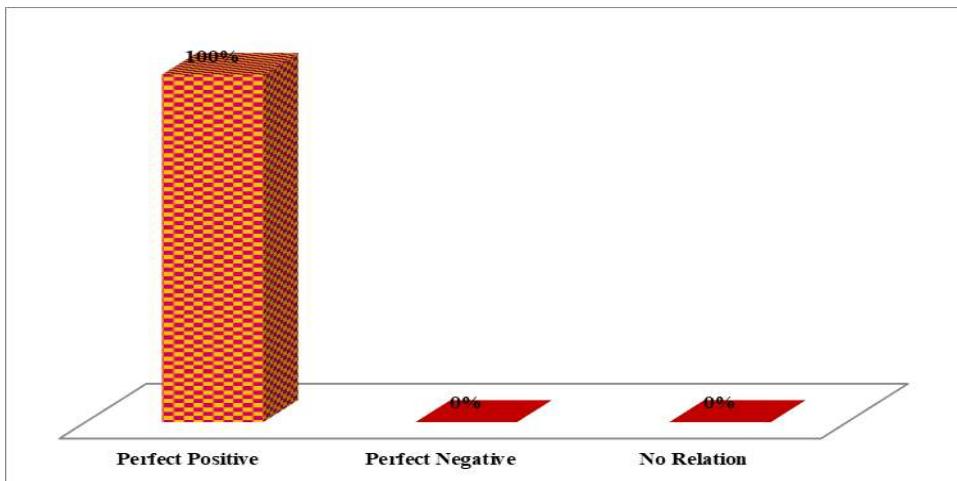
100% of the respondents strongly agree that cluster counselling forces operating in the local and global context.

- 13.** The following is the chart displaying respondent's view about whether through assembly advising, employees learn from each other and shall make their team of high performance.



80% of the respondents strongly agree that, through assembly advising employees learn from each other and shall make their team of high performance.

- 14.** The following is the chart displaying respondent's view to know which kind of correlation exists between cluster counselling and creating competent high performance team.



100% of the respondents state that there exists a strong perfect positive cor-relation between assembly advising and creating competent high performance team.

**After the survey some of the valid conclusions are as follows:**

1. 50% of the respondents strongly agree that assembly advising will create competent high performance team.

2. 75% of the respondents state that, interest in assembly advising strongly depends on the personal interest of the employees.
3. 85% of the respondents agree that assembly advising will wipe off negative thoughts of the employees.
4. 70% of the respondents agree that assembly advising will support for employee's psychological, professional and personal welfare.
5. 95% of the respondents strongly agree that assembly advising will benefit for the business.
6. 100% of the respondents strongly agree assembly advising helps in retention of valuable employees.
7. 80% of the respondents strongly agree assembly advising will reduce levels of stress in workplace.
8. 65% of the respondents agree that through assembly advising, there will be harmonious working environment and the employees realize "Being happy with themselves is more important than having others approve of them"
9. 60% of the respondents agree that assembly advising will reduce stress level of employees; thus reduction of stress level will enable the staff to be more courteous, creative, and able to concentrate longer. This will give a significant advantage in today's competitive and rapidly changing market.
10. 90% of the respondents agree that, the consciousness of the assembly advising in establishment makes the future managers and employees to lead better quality of life with good physical health.
11. 80% of the respondents strongly agree that through assembly advising, an employee with problems will not disrupt the working environment of others
12. 100% of the respondents strongly agree that assembly advising forces operating in the local and global context.
13. 80% of the respondents strongly agree that, through assembly advising employees learn from each other and shall make their team of high performance.
14. Finally, 100% of the respondents state that there exists a strong perfect positive correlation between assembly advising and making high skilled & executing teams in the workplace.

## QUESTIONNAIRE

Name: \_\_\_\_\_

Gender : Male ( ). Female ( ).

( Note : SD – Strongly Disagree. D – Disagree  
ND/NA – Neither Disagree Nor Agree.  
A – Agree. SA – Strongly Agree )

**1.** Assembly advising will direct successfully for creating competent high performance team

SD     D     ND/NA     A     SA

**2.** Interest in assembly advising depends on the

Personal interest  Professional pressure  Other Factors

**3.** Assembly advising wipes off negative thoughts of employees.

SD     D     ND/NA     A     SA

**4.** “Assembly advising” makes the employees to accept the things around them in a

practical way.

SD     D     ND/NA     A     SA

**5.** “Assembly advising” helps in managing stress of the employees.

SD     D     ND/NA     A     SA

**6.** “Assembly advising” is the best balm in uncertain times of the employees.

SD     D     ND/NA     A     SA

**7.** Through assembly advising, the employees realize “Being happy with themself is more important than having others approve of them”

SD     D     ND/NA     A     SA

**8.** “Assembly advising” can pave way to handle stress for future mangers.

SD     D     ND/NA     A     SA

**9.** The consciousness of the “Assembly advising” in establishment makes the future managers more accountable and makes the corporate a more responsible company.

---

SD

D

ND/NA

A

SA

---

**10.** “Assembly advising” re-establishes the concepts of solidarity common responsibility and sustainable development by creating high performance team.

---

SD

D

ND/NA

A

SA

---

**11.** “Assembly advising” is not to be interpreted in a narrow sense indicating only personal or professional vision. It has to be focused on forces operating in the local and global context.

---

SD

D

ND/NA

A

SA

---

**12.** Through “Assembly advising” employees learn from each other and shall make their team of high performance.

---

SD

D

ND/NA

A

SA

---

**13.** The correlation between Assembly advising and managing stress with a balanced work life is.

Perfect Positive

Perfect Negative

No Relation

***Valuable Suggestion for managing stress and balancing work life:***

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# **PERFORMANCE EVALUATION OF SELECT INITIAL PUBLIC OFFERS (IPOS) IN INDIA**

**Dr.G.Sudarsana Reddy**, Professor  
Dept. of Studies & Research in Commerce  
Tumkur University, Tumakuru-572103. Karnataka. India  
Email id: [gsudarshanareddy@gmail.com](mailto:gsudarshanareddy@gmail.com)

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## **ABSTRACT**

**F**inancial system comprises of financial institutions, financial instruments, financial markets and financial services. Of the four components of financial system financial markets plays a pivotal role in economic development of a country since they channalise the flow of savings from savers to investors. Savers may be individuals or and organisations; and the investors are again individuals and business organisations. Savers look for investment avenues that are suitable as per their risk preference. Now-a-days the investment avenues available for investors are plenty. In fact, more alternatives are putting investors in difficult position in choosing right investment alternative. Investors those who are look for funds have various ways to raise funds. There are two types of financial markets they are – capital market and money market. They can raise funds from the capital market for long-term needs and money market for short-term requirements. Long-term funds can be raised in capital market by issue of securities – debt or equity. Equity shares are the prime security issued to the public in the primary market raising long-term funds. There are two categories of investors who invest in primary market. One, who wants to invest for long-term and two, those want to make money in short-term just after listing the securities in the stock exchange. Investors those who can take risk in investing equity through Initial Public Offer (IPO)/ Further Public Offer (FPO) the primary motive is capital gain; particularly after listing shares in stock exchange. The second category of investors are more. Companies list their shares immediately after making IPOs in stock exchanges and later the value of such equity is determined by market. The movement of price on the event of IPO is determined by the perception of the investor's initial return i.e.

return on the first day of IPO plays a vital role in perceiving future value of such equities. Sentimentally shares which have given positive return on the first day may give negative return than positive.

The main aim of the paper is to study the performance of selected IPOs happened during the year 2015. The study is desk research and analytical study. The population of the study comprises of 21 public issues which were happened before 01-01-2015 to 31-12-2015 and listed in BSE Limited. The researcher excluded eight issues with face value of share is less than 10 rupees and this left 13 IPOs. The study is census survey. The sample IPOs were issued by - Prabhath dairy limited, Sadbhav infrastructure project limited, Pennar engineered buildings system, Navkar corporation limited, Powermech projects limited, Syngene international limited, Manpasand beverages limited, PNC infratech limited, UFO movies India limited, VRL logistics limited, Inox wind limited, Adlabs entertainment limited, and Ortel communications limited. The study purely based on secondary data which are collected from the Stock exchange data base like BSE, NSE. And other supporting data from chittograh.com, and Articles, books, journals and business standard newspaper are used. The study includes the calculations of returns on the basis of daily, one week immediately after listing and also with 15 days, 30 days, and 60 days. The collected data analysed with the calculation of return after listing in stock market i.e. in BSE. Here for this study the return is calculated on daily basis of one week immediately after listing and also for 15 days, 30 days and 60 days.

The study reveals during the year (1-1-2015 to 31-12-2015) the performance of IPO was expected to be a good year but the poor show of immediate after list threats the logic. During the year every IPO showed poor performance immediate after listing day except Pennar engineered building system (4.75 per cent), Powermech projects Ltd. (8.96 per cent), PNC infratech Ltd. (10.68 per cent), UFO moviez Ltd. (2.12 per cent), and Manpasand beverages (1.71 per cent). The Other IPOs like Prabhath dairy Ltd. (-2.4per cent), Sadbhav infrastructure (0), Navkar corporations (-2.9 per cent), Syngene international Ltd. (-0.49 per cent), Adlabs entertainment Ltd. (-2.96 per cent), Inox wind Ltd. (0.10 per cent), VRL logistics (0), and Ortel communications (-5.23 per cent) showed very poor performance. Overall the performance of IPO in this year showed poor

performance. Even though the return immediate after listing day some IPO showed good performance but at the end of the 60 day from the listing day the return was in negative. Every IPO showed negative performance during the study period. For making investment in capital market through IPO individual investors have to know first about company details like prospectus, company background, previous financial performances, market performance everything should check by the investor. Then only he can achieve his objective towards earning more return through IPO.

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**Key words:** Financial system, capital market, primary market, initial public offer, performance

## INTRODUCTION

Financial system comprises of financial institutions, financial instruments, financial markets and financial services. Of the four components of financial system, financial markets play a pivotal role in economic development of a country through channelising savings to investors. Savers look for investment avenues that are suitable as per their risk preference. Now-a-days the investment avenues available for investors are plenty. In fact, more investment alternatives are putting investors in difficult position in choosing right investment alternative. Investors those who are look for funds have various ways to raise funds. There are two types of financial markets they are – capital market and money market. They can raise funds from the capital market for long-term needs and money market for short-term requirements. Long-term funds can be raised in capital market by issue of securities – debt or equity. Equity shares are the prime security issued to the public in the primary market raising long-term funds. There are two categories of investors who invest in primary market. One, who wants to invest for long-term and two, those want to make money in short-term just after listing the securities in the stock exchange. Investors those who can take risk in investing equity through Initial Public Offer (IPO)/ Further Public Offer (FPO) the primary motive is capital gain; particularly after listing shares in stock exchange. The second category of investors is more. Companies list their shares immediately after making IPOs in stock exchanges and later the value of such equity is determined by market. The movement of price on the event of IPO is determined by the

perception of the investor's initial return i.e. return on the first day of IPO plays a vital role in perceiving future value of such equities. Sentimentally shares which have given positive return on the first day may give negative return than positive.

Starting and successful running a business needs sufficient resources. Finance is prime resource which needed for procuring all other resources. In other words, Capital is one of the factors of starting a business whether it is trading, manufacturing, or providing services. Business needs capital for acquiring assets, which are essential for running business. The total capital of any business comprises of two types of capital fixed and working Capital. The assets may be fixed assets or current assets or both. Fixed assets are required for running business and current assets are required for utilising fixed assets. Financing of fixed assets should be with long-term funds since they are long-term assets, and current assets are finance with short-term funds. Any company except service providers requires huge fixed assets for which company need to raise long- term capital by issuing of long-term securities whether they are debt and equity securities. But, equity share capital is the prime source of long-term funds, since they are the owners' funds available till the end of the company. Equity share capital is cost free because there is no need commit any funds for payment of dividends. In other words, there is no compulsion of payment of dividend on equity shares like other securities – preference shares on which dividend is generally committed and debentures / bonds on which interest is committed to pay. Equity share capital can be raised in four ways. They are: One, Initial Public Offer (IPO) / Further or Follow on Public Offer (FPO), Private placement, Offer for sale and Rights issue. IPO is the main method of floating shares to the public to raise equity share capital, but the success of raising funds through IPO depends on the performance of various factors like ensuring necessary visibility of business, selection of relevant merchant / investment banker, selection of banking syndicate, proper projection of balance sheet prior to IPO, making sure about financial projections are sufficiently shown, spending time on developing good investor relations, pricing the issue, valuation of the company, and performance of past IPOs after listing the issue in the given stock exchange.

## **OBJECTIVE OF THE PAPER**

The main aim of the paper is to study the performance of selected IPOs during the year 2015. Performance is evaluated immediately after listing in terms of daily return, average weekly return, average 15 days return, average 30 days return, and average 60 days return.

## **SCOPE OF THE STUDY**

The study covers the performance of initial public offerings of selected companies during January to December 2015. Therefore it excludes all IPOs before and after the study period.

## **RESEARCH METHODOLOGY**

The study is a desk research and analytical study. The population of the study comprises of 21 IPOs which were happened before 01-01-2015 to 31-12-2015. The researcher excluded the issues with face value was less than 10 rupees and the price offered is less than 100 rupees and unavailability of historical stock price up to the 60 days from the date of listing day of IPOs. It left 13 IPOs and researcher studied performance of all the 13 IPOs. Table 1 gives the samples companies IPOs.

**Table 1 Selected IPOs during the year 2015**

Name of IPOs	Offer price	Face value
Prabhath dairy limited	115.00-126.00	10
Sadbhav infrastructure project limited	100.00-103.00	10
Pennar engineered buildings system	170.00-178.00	10
Navkar corporation limited	147.00-155.00	10
Powermech projects limited	615.00-640.00	10
Syngene international limited	240.00-250.00	10
Manpasand beverages limited	290.00-320.00	10

PNC infratech limited	355.00-378.00	10
UFO movies India limited	615.00-625.00	10
VRL logistics limited	195.00-205.00	10
Inox wind limited	315.00-325.00	10
Adlabs entertainment limited	180.00-215.00	10
Ortel communications limited	181.00-200.00	10

Source: <http://www.bse.com/ipo>

## SOURCES OF DATA

The study is based on the closing prices of select companies' stock and BSE S&P Index. The study is purely based on secondary data, the required secondary data have been collected from the Stock exchange data base like BSE, and other supporting data from chittograh.com; and articles, books, journals and business standard newspaper are used

## PERIOD OF DATA AND TOOL OF ANALYSIS

The study includes the calculations of returns on the basis of daily, one week immediately after listing and also with 15 days, 30 days, and 60 days.

## PERFORMANCE OF SELECTED IPOS

As stated earlier the study is aimed at performance evaluation of selected IPOs by calculating returns, average returns and correlation of selected IPOs as well as BSE S&P market. Formulas used for calculations are

$$\text{Return (\%)} = (\text{closing price} - \text{opening price}) / \text{opening price} * 100$$

$$\text{Average return} = \text{Total return} / \text{number of days}$$

$$\text{Correlation (r)} = \frac{n\sum xy - (\sum x)(\sum y)}{\sqrt{(n\sum x^2 - (\sum x)^2)} * \sqrt{(n\sum y^2 - (\sum y)^2)}}$$

Performance of each company is in order.

### **Prabhath Dairy Limited**

Listing date: September 21, 2015

**Table 2 Performance of Prabhath's Equity and Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	-2.40653	-2.05892	-
Average weekly return	-1.52806	0.06677	0.44586
Average 15 days return	0.107604	0.26329	0.35482
Average 30 days return	-0.895041	0.06853	0.09165
Average 60 days return	0.42469	0.01086	0.12414

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Performance of Prabhah's equity stock immediately after listing in stock exchange recorded negative performance (-2.41 per cent), but the performance moved as per the BSE S&P return (see Table 2). With referred to the weekly return, market did well (0.067 per cent) when compared to the Prabhath which was supported by low correlation. The return of 15 days, 30 days and 60 days shows positive trend in company as well as market. However, there is very less (0.09165) correlation with referred 30 days return. On the other hand, the company moved from negative performance to positive.

### **Sadbhav Infrastructure Projects Limited**

Listing date: September 16 2015

**Table 3 Performance of Sadbhav's Equity and Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	0	1.07745	-
Average weekly return	0.59813	-0.45171	0.477987

Average 15 days return	-0.25003	0.141022	0.35482
Average 30 days return	-0.18525	0.03508	-0.2994
Average 60 days return	-0.13057	-0.02851	-0.13057

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Table 3 depicts that there was no return immediately after listing day in Sadbhav's equity when compared to BSE S&P return (1.077 per cent), showing that the company stock and market were moved in opposite direction on daily, weekly, 15 days and 30 days return. But, in 60 days return the company and market return was in negative, which is also supported by negative correlation. Therefore, the Sadbhav's performance was poor.

### Pennar Engineered Building Systems

Listing date: September 10 2015

**Table 4 Performance of Pennar's Equity and BSE Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	4.747505	-0.06125	-
Average weekly return	0.062963	0.469081	0.755138
Average 15 days return	0.095948	0.31998	0.528191
Average 30 days return	0.016976	0.188551	0.473219
Average 60 days return	-0.05956	-0.04112	0.287309

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Pennar's equity performance immediately after listing day was good (4.747 per cent) when compared to the market the return (-0.062 per cent). Weekly, 15 days and 30 days return was less than the market (See Table 4). But, at 60 days the return was turned in negative in company (-0.059 per cent) as well as in BSE market (-0.041 per cent). The return was getting low day by day and also it was supported by correlations also. The performance of equity declined from 4.747 per cent to 0.01 per cent and negative after 60 days of listing.

## **Navkar Corporation**

Listing date: September 9, 2015

**Table 5 Performance of Navkar Corporation's equity and BSE market**

<b>Performance</b>	<b>Stock Return (%)</b>	<b>Market Return (%)</b>	<b>Correlation</b>
Daily return	-2.91054	-0.25812	-
Average weekly return	-0.1074	0.45189	0.785078
Average 15 days return	-0.20645	0.285307	0.35482
Average 30 days return	-0.080614	0.179937	0.122629
Average 60 days return	0.291676	-0.02606	-0.13932

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Table 5 shows Navkar's equity performance immediately after listing IPO. The return was in negative (-2.91) which is higher than the market (-0.258 per cent). Performance is less than the market on the weekly, 15 days and 30 days return; and better performance after 60 days. However, Navkar's equity stock performance has increased from negative -2.91 per cent on daily to 0.29 per cent after 60 days return.

## **Powermech Projects Limited**

Listing date: August 26, 2015

**Table 6 Performance of Powermech's Equity and BSE Market**

<b>Performance</b>	<b>Stock Return (%)</b>	<b>Market Return (%)</b>	<b>Correlation</b>
Daily return	8.968671	2.152838	--
Average weekly return	-0.83029	-0.3274	0.300846
Average 15 days return	-0.80719	-0.08629	0.393193
Average 30 days return	-0.90543	-0.34436	0.205159
Average 60 days return	-0.07939	-0.02036	0.198435

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Powermech's return on equity return was more by 6.815 per cent compare to market performance. The investors getting nearly nine per cent return immediate after listing date. But, after one week, 15 days, 30 days and 60 days the return declined to negative (-0.79 per cent). The trend is same in the market performance also (see Table 6). During the period the total market was under pressure and incurred loss.

### **Syngene International Limited**

Listing date: August 11, 2015

**Table 7 Performance of Syngene's Equity and BSE Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	-0.4974	-1.54909	--
Average weekly return	2.68564	0.39712	-0.48195
Average 15 days return	0.19546	-0.49824	0.35482
Average 30 days return	0.02810	-0.22383	0.58625
Average 60 days return	0.22037	-0.09596	0.51356

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Table 7 shows the return of Syngene immediate after listing date of the IPO was not good. It is in negative in company as well as in market. But, after one week the return increased to 2.68 per cent compared to the market (0.39 per cent), but later the performance declined to 0.22 per cent. Syngene's performance was positive when market is moving in red on 15 days, 30 days and 60 days. In simple, both are moved in different directions, which were supported by correlation.

### **Manpasand Beverages**

Listing date: July 9, 2015

**Table 8 Performance of Manpasand's Equity and BSE Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	1.71361	0.319948	--

Average weekly return	0.38287	0.579352	-0.47698
Average 15 days return	1.09386	0.052433	0.35482
Average 30 days return	0.84046	0.018438	0.12157
Average 60 days return	0.37776	-0.04797	0.191051

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

The equity stock performance of Manpasand Beverages's immediately after listing IPO was good (1.71 per cent) compare to market performance (0.319). The company performance was better than the market on 15, 30 and 60 days after listing day (see Table 8). At the same time Manpasand's equity performance declined day by day and reached to 0.377 per cent after 60 days. This type of performances discourages the investors towards investing in IPO.

### PNC Infratech Limited

Listing date: May 26, 2015

**Table 9 Performance of PNC's Equity and BSE Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	10.67572	-0.05762	--
Average weekly return	-0.78381	-0.5774	0.494909
Average 15 days return	-0.5139	-0.29233	0.35482
Average 30 days return	0.060147	0.060208	0.493278
Average 60 days return	0.417158	0.027017	0.400397

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Performance of PNC Infratech's was very good (10.67 per cent) immediately after listing day and the market performance is negative. After one week and 15 day the return was suddenly fallen to negative in company as well as in market (see table 9). But, after 30 and 60 days average return more or less same in both company and market. The equity stock return over the study period declined from 10.67 per cent immediately after listing to 0.42

per cent by the end of 60 days. The performance of PNC infratech was sometime in upwards sometime in downwards. It was supported by correlations also. This type of performance might create confusions in investors mind whether to invest or not in this company.

### **UFO Moviez Limited**

Listing date: May 14, 2015

**Table 10 Performance of UFO's Equity and BSE Market**

<b>Performance</b>	<b>Stock Return (%)</b>	<b>Market Return (%)</b>	<b>Correlation</b>
Daily return	2.12053	0.384962	--
Average weekly return	-0.33689	0.424172	0.519324
Average 15 days return	-0.7385	-0.15136	0.35482
Average 30 days return	-0.21803	0.035273	0.645974
Average 60 days return	0.011201	0.064114	0.557716

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Table 10 depicts the performance of UFO moviez ltd. Equity stock recorded 2.12 per cent immediately after listing day and this was more compared to the market performance (0.38%). Later there was no return up to 30 days and the trend was almost the same in market also. But, after 60 days, the return was recorded in company's return and a slight increase in market return. Finally, there was not constant or up warding return in both company and market. It had volatility in its performance which was also supported by correlation. This type of performances might create negative perception towards investing in IPO.

## **Adlabs Entertainment Limited**

Listing date: April 6, 2015

**Table 11 performance of Adlabs's equity and BSE market**

<b>Performance</b>	<b>Stock Return (%)</b>	<b>Market Return (%)</b>	<b>Correlation</b>
Daily return	-2.96097	0.215481	--
Average weekly return	-1.27359	0.395251	-0.74004
Average 15 days return	-2.2850	-0.39735	0.35482
Average 30 days return	-0.74055	-0.12318	0.422947
Average 60 days return	0.47446	-0.08304	0.377566

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

The performance of Adlabs entertainment was negative up to 30 days after listing though the market moving with positive returns for seven days after listing. (see Table 11). Only after 60 days Adlabs recorded positive return (0.47 per cent) when market is moving in red. It was supported by correlation also. In this type of performance of company investors do not want to invest because of no return.

## **INOX Wind Limited**

Listing date: April 9, 2015

**Table 12 Performance of Inox Wind Ltd Equity and BSE Market**

<b>Performance</b>	<b>Stock Return (%)</b>	<b>Market Return (%)</b>	<b>Correlation</b>
Daily return	0.102634	0.132098	--
Average weekly return	1.465354	-0.41128	0.000519
Average 15 days return	-0.25971	-0.050437	0.35482
Average 30 days return	-0.036	-0.15472	0.450306
Average 60 days return	-0.0379	-0.07812	0.451167

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Table 12 depicts the return on equity stock of Inox and market after listing the stock. The return was less when compared to market immediately after listing. The average return in first week was more in company (1.46 per cent) than market. After 15 days, 30 days and 60 days after listing day was recorded negative in both the company and market. The performance of both INOX' equity and BSE market in IPO was very poor.

### **VRL Logistics Limited**

Listing date: April 30, 2015

**Table 13 Performance of VRL's Equity and BSE Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	0	0	--
Average weekly return	-0.91803	-0.0462	0.89232
Average 15 days return	-0.06975	0.183867	0.35482
Average 30 days return	-0.14736	-0.11817	0.33888
Average 60 days return	0.328042	0.072137	0.39034

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

The performance of VRL logistics equity was immediately after listing day was zero the same was in market also. The average returns for one week also same in company as well as in market both in negative (see Table 13). But, after 15 days average return was moved opposite direction in company and market. In company the return was -0.06 per cent and market 0.18 per cent. The average return for 30 days was both company and market was in negative trend. In 60 days average return was in positive trend in both company and market. Totally there was no return up to the 30 day from the listing day in company. But, after 60 day from the listing date the return was in upward which was supported by correlation also.

## Ortel Communications

Listing date: March 19, 2015

**Table 14 Performance of Ortel's Equity and BSE Market**

Performance	Stock Return (%)	Market Return (%)	Correlation
Daily return	-5.23256	-0.82982	--
Average weekly return	-3.17339	-0.55162	-0.91773
Average 15 days return	-0.40656	0.185231	0.35482
Average 30 days return	0.055963	-0.15407	0.17584
Average 60 days return	0.066576	-0.13065	0.264857

Source: Calculated from the closing Prices of select stock and BSE S&P Index.

Ortel's equity performance was negative up to 15 days after listing the stock, the trend is also in the market (see Table 14). The return was in 15 days, 30 days and 60 days was moved in opposite directions. If company's performance moved towards positive trend, market moved towards negative trend and vice versa which was supported by correlation also.

## FINDINGS AND DISCUSSION

From the foregoing analysis and review of the secondary data – prospectus the following findings have been extracted:

1. **Prabhath Dairy Ltd.**, has come with an IPO of 52 crore shares amounting to Rs. 520 crore. The shares were issued with price band Rs.115 to Rs.126 per equity share. The issue was opened on August 28, 2015 and closed on September 1, 2015. Due to poor response the IPO was under subscribed by 24 per cent. The performance of Prabhath Dairy Ltd. was turned to negative immediately after listing day (-2.4%) and at the end of 60 day from the listing date the return was 0.42%. Overall the performance during the period was poor.

2. **Sadbhav Infrastructure Project Ltd.**, has come up to the capital market with an IPO of equity shares of Rs.10 each aggregating to Rs.450 cr. The price band for the issue was Rs.100 to Rs.103. The issue opened on August 31, 2015 and closed on September 2, 2015. Sadbhav Infrastructure project Ltd.'s public issue sailed through easily on the last day and saw bids for 2.2 times the issue size or was subscribed 1.2 times at the close of the issue. The performance of Sadbhav was very poor, because, there was no return immediately after listing day and at the end of the 60 day the return was -0.13%. The company's performance was very poor.
3. **Pennar Engineered Buildings Systems (PEBS)** was entered in the capital market with an IPO of equity shares of Rs.10 each aggregating to Rs.58 crore. The price band for the issue was Rs.170 to Rs.178. Meanwhile the S&P BSE Sensex was dropped 97.41 points or 0.38 % to settle at 25622.17. The stock debuted at Rs.157.50 and a low of Rs150 in intraday trade. On BSE 25,000 shares were traded in the counter, still the IPO of PEBS had received decent response from investors. The IPO was subscribed 1.15 times. The performance of this IPO immediate after listing day was good because the return was 4.74% but at the end of 60 day from listing date it was turned into negative then the return was -0.05%.
4. **Navkar Corporation Ltd.**, had come with an IPO of Rs.600 crore of Rs.10 per equity share. The issue opened between 24 and 26 August 26, 2015. The price band for the issue was Rs.147 to Rs.155. Navkar Corporation was oversubscribed by 2.8 times. With regard to the performance of IPO was poor immediate after listing day. Its return was -2.91%. But at the end of the 60 day from listing day was little improved. Then the return was 0.29%. Overall the performance of this IPO was not good.
5. **Powermech Projects Ltd.**, was entered in the capital market with an IPO of 42, 69,000 equity share of Rs.10 each. The price band for the issue was Rs.615 to Rs.640. The issue opened on August 07, 2015 and closed on August 11, 2015. It is a Hyderabad based company its public issue sailed through easily on the last day and saw bids for 37.97 times the issue size or was oversubscribed by 37 times. Because the investors' expectation was might be more on this IPO. The performance of this IPO immediately after listing day was good. The return was 8.96 per cent. But, by the end of the 60 day it turned into negative (-0.07%). Overall the performance of this IPO was decreased.

6. **Syngene international Ltd.**, entered the capital market with an IPO of 2, 20, 00,000 equity shares of Rs.10 each. The price band for the issue was Rs.240 to Rs.250. The issue opened on July 27, 2015 and closed for subscription on July 29, 2015. Syngene IPO was fully subscribed on second day from the listing date. Issue subscribed total 1.00 times (1.41 times in retail investors). The performance of Syngene IPO immediate after listing day was very poor. But, at the 60 day from the listing date the return was turned little positive (0.22 per cent). After the one week from the listing date the return was good (2.68%) but it was decreased at the end of 60 day from the listing date.
7. **Manpasand Beverages** had come with IPO worth Rs.400 crore of Rs.10 per equity share. The price band had been fixed at Rs.290 to Rs.302. The issue was opened on June 24,2015 and closed on 26, 2015. Its IPO subscribed 0.06 times on first day and 0.36 times on second day of the listing date. The performance of this IPO immediately after listing day was good (1.71 per cent). But, performance was declined from to 0.37 per cent by the end of 60 day.
8. **PNC Infratech Ltd.**, was entered the capital market with an IPO consisting of 1, 29, 21,708 equity shares of Rs.10 each. The price band for the issue was fixed at Rs.355 to Rs.378. The issue was opened on May 08, 2015 and closed for subscription on May 12, 2015. The IPO infratech was oversubscribed 1.54 times on the last day of the offer day. The PNC's public offer sailed through even as the stock market witnessed severe drubbing where the BSE benchmark Sensex tumbled 630 points and infrastructure stocks were under pressure too. The performance of this IPO over the study period declined from 10.67 per cent immediately after listing day to 0.42 per cent by the end of 60 day.
9. **UFO Moviez** had come to the capital market with an IPO, aggregating Rs.600 crore with the face value of Rs.10 each. The price band for the issue was Rs.615 to 625. The issue opened on April 28, 2015 and closed on April 30, 2015. It was subscribed twice compared to the shares on offer. Rs.600 crore issues was subscribed over four times by QIBs while the segments reserved for high networth individuals and retail investors were just about fully subscribed. The performance of UFO moviez immediate after listing day the return was 2.12 per cent. But, at the end of 60 day it was declined to 0.01 per cent. Overall the performance was decreased at the end of the 60 day from the listing the day.

10. **Adlabs Entertainment Ltd.**, was entered the capital market with an IPO of 2,03,26,227 equity shares of Rs.10 each. The price band for the issue was fixed at Rs.180 to Rs.215. The issue opened on March 10, 2015 and closed for subscription on March 17, 2015. Adlabs entertainment IPO subscribed 0.18 times on second day from the listing date. The performance of this IPO immediately after listing day was negative. Not only that day but also at the end of the 60 day from the listing day, was the return in negative. Totally the performance of this IPO was poor.
11. **Inox wind Ltd.**, entered the capital market with an IPO, Consisting of a fresh issue of equity shares aggregating up to Rs.700 crore. The price band for the issue was Rs.315 to Rs.325. The issue opened on March 18, 2015 and closed on March 20, 2015. The IPO subscribed 0.09 times on first day and 0.59 times on second day from the listing day. The IPO was undersubscribed because of lack of awareness about the company. The performance of the IPO was poor (0.10 per cent) immediately after listing day. It also continued at the end of the 60 day from the listing day. Overall the performance was very poor.
12. **VRL Logistics Ltd.**, entered the capital market with an IPO, consisting of 2, 31, 16,000 equity shares of Rs.10. The price band of the IPO was Rs.195 to Rs.205. The issue opened on April 15, 2015 and closed on April 17, 2015. VRL equity stock, on the last day saw strong interest from investors across the board for its IPO that was oversubscribed by over 7.42 times on its last day. Might be the investors' expectations were more towards this IPO. The performance of this IPO was bad, since there was no return immediately after the listing day. At the end of the 60 day the return was 0.32 per cent. Overall the performance was poor.
13. **Ortel Communications Ltd.**, entered the capital market with an IPO, consisting of 1, 20, 00,000 equity shares of Rs.10 each. The price band for the issue was Rs.181 to Rs.200. The issue opened on March 3, 2015 and closed on March 5, 2015. The IPO of Ortel communication was fully subscribed on the final day of book building assuring the company roughly of Rs.220 crore based on the bidding price. The performance of this IPO was very bad and recorded negative return after listing day (-5.23 per cent). At the end of the 60 day from listing day the return was 0.06 per cent. The performance was very poor during the study.

Overall the performance of the selected IPOs for the study was very poor during the period from 01 January 2015 to 31 December 2015.

## SUGGESTIONS

### To Investors for Investing in IPO

An Initial Public Offer happens when a company lists on the stock exchange for the first time, shares offered in IPO were traded. Firstly, it is important to understand the reasons for raising capital through IPO. A company wants to raise money for its various needs, typically the capital required for further growth and expansion. Investors hope that company's prospects will be better with the money raised and provide return for shareholders by maximizing value of the company which would increase share price in the market.

### Some tips for individual investors for investing in IPO

1. ***Pre-investment Research:*** Successful investment depends on the prior research done. Professionals always do research before investment advice. Therefore, investors always need to do research before any investment decision. But, investor should remember that the research does not give any guarantee of success but, helps improve knowledge and understanding about market. As there is no historical market performance, one way of assessing a company is to use its 'fundamentals'. In essence that is a portrait of the company's health and performance, using the financial indicators found in the prospectus; the strength of a company balance sheet, its profitability, borrowing and cash flow are important clues to how a company is performing in its market and indicates the quality and strength of its management and staff.
2. ***Understand the Risks Involved in:*** Before taking investment decision on equity stock, investor should decide the investment goals, time horizon and the type of return – dividends or capital gain. Investment on equity shall be based on investor's appetite, tolerance and capacity for risk. If one dislike the idea of taking any

chances of losing money than direct investing in the stock market is unlikely to be suitable

3. ***Pick a Company with Strong Underwriters:*** Try to select a company that has a strong underwriter. One cannot say that the big investment banks never bring duds public, but in general, quality brokerages bring quality companies public. Exercise more caution when selecting smaller brokerages, because they may be willing to underwrite any company.
4. ***Read the Prospectus Thoroughly:*** Learner investors can be put off by IPO prospectuses, which sometime resemble mini telephone books. Granted, they are not the easiest document to read but it is well worth the effort. Investor would learn more about the company and its industry in the prospectus than in any other piece of corporate communication. Read the IPO's supplementary or replacement prospectuses information is required.
5. ***Understand the Company Business Thoroughly:*** Like any other investment investor should understand IPO properly, if not understood an IPO, do not invest. After reading the prospectus investor should be able to form a view on how the company makes money, its industry position and the key drivers of its earnings. For a pre-revenue company, such as a mining explorer or emerging technology company, one should understand the pathway towards commercialization and the key risks.
6. ***Capital Structure:*** Understand what the IPO's capital structure would look like if all options granted to executives or investors were exercised. Or what happens when restructured securities are available to be sold in a year or two after listing. And how much debt is involved? Excessive share issuance can dilute existing shareholders and weigh on the organization's earnings per share and return on equity. It may not be an issue if the executive team has to meet tough return hurdles to achieve their performance-related shares or options, but always form a view on the capital structure.

7. **Management:** Assessing the executive team is especially important with smaller IPOs that rely heavily on a few key people to create long-term, sustainable wealth for shareholders.

Consider the executive team's past achievements. Have they made money for previous shareholders? Are they experienced and well-regarded in their industry? Is there sufficient depth in the executive team or does it rely mostly on the CEO?

## CONCLUSION

Companies with need for long-term funds come up to equity market in any one of the four methods - Initial Public Offer (IPO) or / Follow on / Further Public Offer (FPO), Private placement, Offer for sale and Rights issue. Initial Public Offer (IPO) or Further / Follow on Public Offer (FPO). But, the success of the issue depends on the performance of various factors like ensuring necessary visibility of business, selection of relevant merchant / investment banker, selection of banking syndicate, proper projection of balance sheet prior to IPO, making sure about financial projections are sufficiently shown, spending time on developing good investor relations, pricing the issue, valuation of the company, and performance of past IPOs after listing the issue in the given stock exchange. The study aimed at evaluation of selected IPOs during the year 2015. Performance is evaluated immediately after listing in terms of daily return, average weekly return, average 15 days return, average 30 days return, and average 60 days return.

Performance of the select IPOs was poor immediately after listing the stock in stock exchanges except Pennar engineered building system (4.75 per cent), Powermech Projects Ltd. (8.96 per cent), PNC infratech Ltd. (10.68 per cent), UFO moviez Ltd. (2.12 per cent), and Manpasand beverages (1.71 per cent). The Other eight IPOs - Prabhath Dairy Ltd. (-2.4 per cent), Sadbhav Infrastructure (0 per cent), Navkar Corporations (-2.9 per cent), Syngene International Ltd. (-0.49 per cent), Adlabs Entertainment Ltd. (-2.96 per cent), Inox Wind Ltd. (0.10 per cent), VRL Logistics (0 per cent), and Ortel communications (-5.23 per cent) recorded negative performance.

Overall the performance of select IPO during the study period showed poor performance, though the return immediate after listing day some IPO showed good performance but, at

the end of the 60 day from the listing day the return was in negative. Every IPO showed negative performance during the study period.

For making investment in capital market through IPO every individual investors have to know first about company details like prospectus, company background, previous financial performances, market performance everything should check by the investor. Then only investor can achieve his objective towards earning more return through IPO.

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# **THE IMPACT OF GENDER ON ELECTRONIC WORD OF MOUTH (eWOM) AMONG CONSUMERS OF INDIA**

**Dr. Sopnamayee Acharya.** Asst Prof  
Prestige Institute of Management & Research  
Indore, Madhya Pradesh  
Email: sopna75@gmail.com

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## **ABSTRACT**

### **Purpose:**

**E**lectronic Word of Mouth (*eWOM*) is an effective and influential method of communication. Consumers like to utilize *eWOM* and trust it as a means of communication. However, not all consumers have the same expectations for this type of communication, nor do they have the same motivations for utilizing it. Electronic Word of Mouth (*eWOM*) is a considerably influential factor for consumers to search for product information. The purpose of this paper is to examine if different genders affect consumers' communication on *eWOM* and if these consumers have different motivations and expectations for this communication vehicle.

### **Design/Methodology/Approach:**

The authors conducted an empirical study in the field of different product categories. A total of 150 respondents were randomly selected for this survey, which include 35% female and 65% of male respondents. A one-way analysis of variance (ANOVA) statistical analysis was conducted to test the influence of gender on *eWOM* motivation.

### **Findings:**

Results show that gender differences will have impact on concern for others and retribution upon company. This indicates men are likely to seek revenge towards the company for not being satisfied with a product or service. It also shows that men would care more about others than women. Furthermore, there is no significant relationship was found between gender and self expression, overall trust, venting negative feelings and distrust separately.

## **Originality/Value:**

The findings of this study provide useful and a new framework of consumers' eWOM intents and a new perspective on gender. The internet marketers can develop more applicable plans to attract consumers of different genders. Although eWOM is found to be important, but more efforts to be assigned to deal with negative feelings of male customers.

**Keywords:** Electronic Word of Mouth, eWOM, Internet Marketers, Gender Impact, Analysis of Variance.

## **INTRODUCTION**

Internet has allowed consumers to participate in the creation of brand value, since it is a channel where customers can share their opinions about the characteristics of products and services, and about their experiences with the purchase or use of products, information directly related to perceptions about satisfaction and brand loyalty that affects positively or negatively the image and positioning of companies in the market (Oviedo García, Muñoz Expósito, & Castellanos Verdugo, 2015). This way, the change in the role of customers is oriented towards 3C cooperation, coproduction and co-creation of value, a fact that has generated a high degree of connection among people, allowing them to be permanently informed about the best alternatives for the products and services they want to buy.

In recent years, electronic Word of Mouth (eWOM) has been researched in different areas related to digital marketing (Ba, 2002; Bailey, 2004; C. M. K. Cheung & Thadani, 2012; Cheung, Lee, & Rabjohn, 2008; Hennig-Thurau & Walsh, 2003; Ward & Ostrom, 2006). Hennig-Thurau, Gwinner, Walsh, & Gremler (2004) defined eWOM as 'any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet'. These interactions are expressed through different mechanisms provided by Social Media, with the following being the most widely researched and developed ones according to Rejón-Guardia, fernandez & Leiva (2013): discussion forums, boycott websites (Hennig-Thurau et al., 2004), news groups, chat rooms, user groups, personal and corporate blogs, general social networking sites, specialist travel and tourism networks,

specialist music networks and microblogging sites (Goldsmith & Horowitz, 2006). Social networking sites, such as Facebook, Twitter or Instagram, have become an efficient and popular channel to share consumer-generated content, thus allowing them to interact with each other in a convenient and instantaneous manner (Sánchez-Torres & Arroyo-Cañada, 2016). In this context, eWOM is enhanced with the exchange of information about products and services via the internet, which is considered credible and reliable by consumers (Rejón-Guardia et al., 2013). Additionally, certain differences can be seen in the use made of those opinions by males and females (Chan, Cheung, Shi, & Lee, 2015), and therefore gender is a variable to be considered in the development of online marketing and reputation management strategies.

The basic objective of this study is to examine the influence of eWOM motivations in the purchase intention of consumers of social networking sites and also to determine if there is an effect of the variable gender. From the literature of previous studies, the motivating factors of eWOM and its relationship with purchase intention of Indian customers are examined, taking into account possible differences between males and females.

## LITERATURE REVIEW

Research has examined how consumers process the information provided in product reviews. Variables, such as involvement and product category, can alter how the information is processed. (Harris et al., 2008; Park et al., 2008). Lung-Yu Chang et al. summarized the four factors (message trustworthiness, sender expertise, receiver search extent, and senders own experience) and demonstrated a causal relationship between eWOM and its impact on consumer's behavior. Firms seek to understand how online reputations are formed and what motivates consumers to leave comments, both positive and negative, on Internet forums (Heyes, 2012). Perhaps most important to understanding consumer behavior is discovering whether or not customers tend to believe negative or positive comments. Some previous studies indicate that negative information is weighed more heavily than positive information by consumers when making a purchasing decision. Heyes and Kapur (2012) explained that a consumer may choose to post negative eWOM when that consumer and the providing company have a disagreement that escalates to the

point where the consumer wants others to know of the negative experience. When this type of argument occurs, consumers will likely share the experience through one of the previously discussed online platforms.

### **Theoretical Framework of Ewom:**

Researchers have explained eWOM from various disciplines, including: psychology, sociology, economics and political science (Cheung & Lee, 2012). Balasubramanian and Mahajan (2001) developed a novel conceptual framework about the economic leverage of virtual communities through a combination of economic and social activity. In this study, the author introduced three types of utilities that motivate people to leave their opinions online: the focus-related utility (e.g., comes from adding value to the community), consumption utility (e.g., comes from individual's consumption of contributions from others), and approval utility (e.g., comes from the approval from others) (T. HenningThurau et al., 2004). Henning Thurau et al. (2004) updated Balasubramanian and Mahajan's theory, by adding two new utilities to the framework: the moderator-related utility (e.g., comes —when a third party makes the complaint act easier for the community member) and the homeostase utility (e.g., comes when people pursue a balanced life). The author categorized the motivations of eWOM communication providers into four segments: desire for social interaction, desire for economic incentives, their concern for other consumers, and the potential to enhance their own self-worth (Cheung & Lee, 2012). Sung Mi Han (2008) introduced four motivations for eWOM: social interaction benefits/self enhancement, helping the company (or brand), vengeance upon the company, concern for others, and economic incentive. Furthermore, the cultural differences between the United States and South Korea affected the motivation of eWOM, as South Korean consumers show greater concern for others and less desire to gain vengeance upon the company. Cheung and Lee (2012) enriched the research by introducing the concept of the public good (i.e., collectivism, egoism, altruism, and principalism) and knowledge self-efficacy. These authors administered a questionnaire to users of one of the most popular customer review sites in Hong Kong. The results of the survey indicated that consumers were motivated to spend time on this eWOM platform for three reasons: reputation-orientation, sense of belonging, and the enjoyment of helping (Cheung & Lee, 2012). Most literature

emphasizes the impact of eWOM communication, explores the process and motives of eWOM communication, and tries to identify how the communication influences the customer purchase decision (Cheung & Lee, 2012). Very few examine the motives of eWOM through consumers' demographic characteristics, such as gender.

Building on previous studies' framework, in this study author describes eWOM motivations based on the relationship of gender differences to six factors: *self-expression, retaliation, concerns for others, overall trust, venting negative feeling* and *distrust*.

## **RESEARCH METHODOLOGY**

This study tries to determine the relationships between consumers, their gender, and their use of eWOM.

### ***Hypothesis Formulation:***

Researcher has found that the relationship between group affiliation and WOM behavior is stronger for women than for men. Women are often more impacted by the relationships they have in group settings. However, men are likely to engage in WOM behavior based on self-esteem enhancement more than women. Men tend to dominate public discussions, even when they possess less knowledge than a female counterpart, because they use conversation to establish status (Tannen, 1990). Further, men tend to frequently express themselves online in order to establish a social image that portrays them as an expert in some field. As such, self-expression could be a greater motivator of eWOM for men than for women.

*H<sub>1</sub>: Gender has a positive impact on self-expression to provide eWOM communication.*

Men and women often face conflict and communication differently. Some of this can be attributed to the different values that are important to different genders. Waler Ong asserted that men are inclined to live comfortably with conflicts and disputes; he wrote, —Conspicuous or expressed adversativeness is a larger element in the lives of males than of females, (Ong 1990, p. 150). Additionally, men's lives often naturally involve combat, struggle, contention and competition because status and placement within a hierarchy can

be altered through conflicts and debate (Ong, 1990). Women on the other hand often prefer to solve problems in more private ways but will occasionally employ an intermediary to resolve oral disputes. Given this, men may be motivated to discuss conflicts with a company through eWOM communication to boost their status.

*H<sub>2</sub>: Men and women show different motivation by retaliation upon company to provide eWOM communication.*

Men view the world as a hierarchy and therefore, in order to achieve desired status, men seek out autonomy and respect. Women tend to view the world differently; they see it as a network, which explains the high value women place on intimacy and relationships (Tannen, 1990). Tannen's findings help explain the female tendency to form a group, where all members are treated equally without competition, and the male preference for a group with complex rules to determine status. Therefore, women, who often strive to form alliances and equal status with peers, may care about others more than men.

*H<sub>3</sub>: Gender is highly influenced by venting negative feelings to provide eWOM communication.*

WOM has a strong impact on women (Soonyong Bae et al., 2011) because women are inclined to embrace the opinions of someone similar and often rely on other people's impressions about products and services. They often seek advice from product review platforms when making a purchase decision. Additionally, women like to act in a way that creates a benefit for the community. They also like to receive trust from that community. On the Internet, much like in real-life, women seek to obtain social support through cooperation and network-oriented collaboration (Miao et al., 2012). Men however, often use the Internet to improve and build social status by challenging, debating or arguing the opinions others express online. Accordingly, we assume that women tend to provide eWOM communication because they trust the reviews and feel that they can receive trust back by sharing information. Similarly, men may be less inclined to trust the reviewer and more inclined to provide eWOM communication in order to challenge the information provider. As such, the following hypotheses are plausible:

H4. Women are more likely motivated by a concern for others to provide eWOM communication.

H5. Women are more likely motivated by trust to provide eWOM than are men.

H6. Men are more likely motivated by distrust to provide eWOM than are women.

## Data:

A total of 175 respondents were randomly selected to participate in this survey. Participants completed a questionnaire containing both open- and close-ended questions. Scaling questions asked the respondents to rate items from one to five with five being that they strongly agree to one being that they strongly disagree.

The questionnaire was divided into three parts. The first part asked respondents to provide the content and platform of recent eWOM communications. The second part contained fifty-two questions evaluating participants' motivations on six factors. The last part contained three demographic questions pertaining to the participants. No time limitation was applied to the survey. After removing the missing values, a sample was compiled with 150 which include 35% female respondents and 65% male respondents.

**Table 1: Descriptive Statistics**

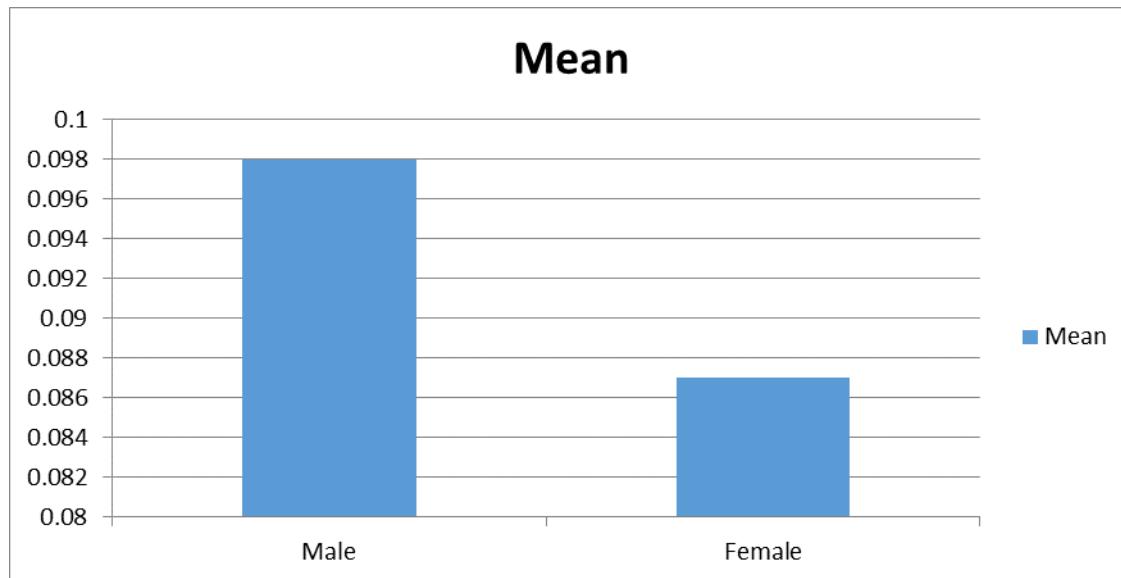
Factors	N	Mean	SD
<b>Factor1-Self Expression</b>	150	3.070	0.902
<b>Factor2- Retaliation</b>	150	3.474	0.549
<b>Factor3-Concerns for others</b>	150	2.849	0.603
<b>Factor4-Overall Trust</b>	150	2.674	0.845
<b>Factor5-Venting negative relief</b>	150	2.832	0.685
<b>Factor6-Distrust</b>	150	3.055	0.493

## RESULTS

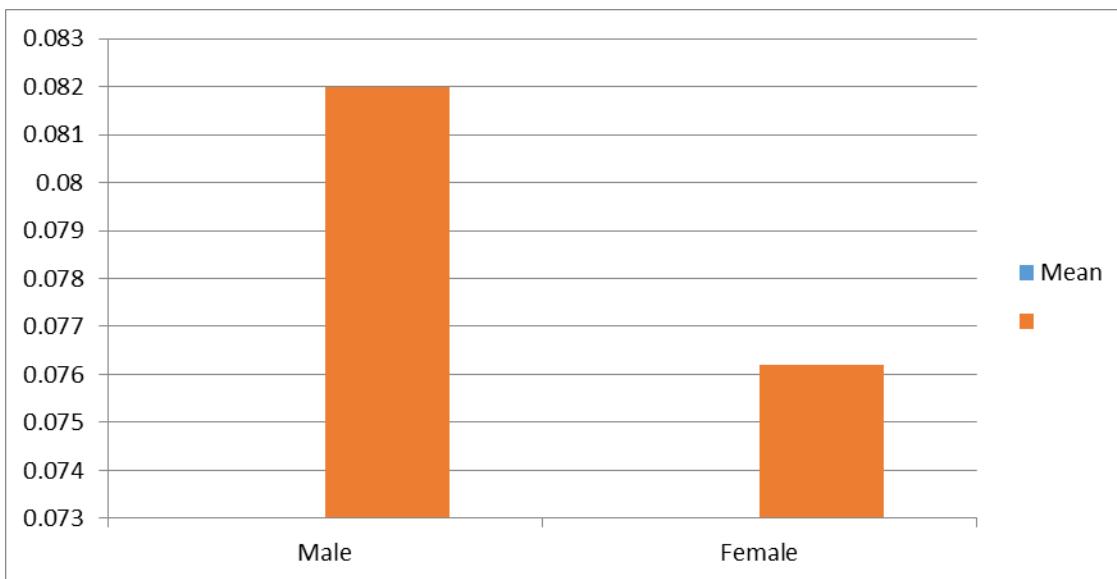
Six factors were identified for use in a factor analysis (See table of Factor Analysis). The mean age was ( $M= 29.72$ ,  $SD = 3.116$ ) for female, which was similar to that of male respondents ( $M= 30.29$ ,  $SD=3.493$ ). A one-way analysis of variance (ANOVA) statistical analysis was conducted to test the influence of gender on each eWOM motivation.

Gender was then selected as an independent variable to test its relationship to the six factors. This ANOVA demonstrated a significant relationship between gender and the motivations of *retaliation* upon the company ( $F=6.382$ ,  $p= .001$ ) and concern for others ( $F=5.484$ ,  $p= .002$ ). This indicates that more male participants ( $M= .098$ ,  $SD= .021$ ) than female participants ( $M= .087$ ,  $SD= .019$ ) are likely to seek revenge toward the company for not being satisfied with a product or service (Figure 1).

**Figure 1: Means for Male and Female respondent in Retaliation upon the company**



**Figure 2: Means for Male and Female respondent in Concern for others**



It also indicates that more males ( $M= .0820$ ,  $SD= .0132$ ) would care more about others than females ( $M= .0762$ ,  $SD= .0127$ ) do (Figure 2), supporting hypotheses two and three. However, there was no significant relationship between gender and self-expression ( $p= .863$ ), overall trust ( $p= .779$ ), venting negative feeling ( $p= .451$ ) and distrust ( $p= .384$ ).

**Table 2: Factor Analysis**

Factor		Items	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
Factor 1 self-expression $\alpha = .925$	Q22	I want to make more people buy the product of the company that I support	0.666					
	Q19	I can tell others about a great experience	0.666					
	Q24	I like sharing my consumer knowledge and experience with others	0.652					
	Q27	I believe a chat among like-minded people is a nice thing	0.650					
	Q23	I expect to receive tips or support from other users	0.631					
	Q40	I try to get reassured about my buying	0.628					
	Q18	I want to help others learn from my own positive experiences	0.605					
	Q31	I hope to look for some recommendations/opinions on the products I want to buy	0.603					
	Q29	I can find out more information about the products	0.599					
	Q25	It is fun to communicate this way with other people in the community	0.592					
	Q15	I hope to receive advice from others on	0.590					

	how to modify or repair the products					
Q26	I will be very glad if people feel the same way as I do	0.588				
Q20	I am so satisfied with a company and its product that I want the company to be successful	0.572				
Q53	I like to seek online advice or information when making a purchase decision	0.570				
Q30	I can find out more information about the great deals currently going on	0.570				
Q41	I want to seek confirmation of my own judgment	0.562				
Q14	I hope to get advice from the other consumers about how to use or operate the products	0.561				
Q32	I hope to get a variety of information from people who have positive or negative opinions.	0.558				
Q13	I hope the other users with similar experiences can tell me how to handle problems	0.551				
Q17	I feel good when I can tell others about my buying successes	0.550				
Q12	I hope to receive advice from others that helps me solve my problems	0.523				
Q52	I seek out the advice of people online regarding which brands to buy	0.516				
Q21	In my own opinion, good companies should be supported	0.514				
Q16	This way I can express my job about a good buy	0.505				
Q51	I gather information about a products before I buy from the internet	0.498				
Q39	I try to get approval from others for my decisions	0.495				
Q28	I want to do some promotion for the company or the product	0.436				
Q47	I like introducing new brands and products online	0.396				
Q11	It is a bad way to correct a bad situation	0.350				
Factor 2 Retaliati on upon the	Q34	I want to take vengeance upon the company		0.683		
	Q36	I want to get concern from the public so that I can seek compensation form the company		0.676		

company $\alpha = .745$	Q35	I want to damage the company's reputation		0.667			
	Q33	The company harmed me, and now I will harm the company		0.649			
	Q37	I want to get back what I should get from the company though the public opinion		0.612			
	Q9	I want to give others a better chance at buying the right product		-0.485			
	Q8	I want to save others from having the same negative experience as me		-0.432			
	Q5	When I post comments about products or services, sometimes I meet nice people.		0.389			
	Q6	The website operator will stand up for me when speaking to the company		0.338			
Factor 3 Concerns for others $\alpha = .442$	Q49	It is likely for me to provide products review online		0.505			
	Q50	I would like to give advice to others through internet		0.491			
	Q7	I want to warn others of bad products		-0.490			
	Q38	I want the company to pay for its mistake		-0.481			
	Q46	I have doubts about trusting online reviews		0.424			
	Q48	I provide information about brands and products on web site		0.412			
	Q10	One has more power together with others than writing a single letter of complaint		-0.328			
Factor 4 Overall Trust $\alpha = .826$	Q44	I trust online reviews		0.665			
	Q43	I can count on online reviews to be trustworthy.		0.645			
	Q42	I feel that I can completely trust online reviews		0.568			
Factor 5 Venting negative feelings $\alpha = .698$	Q2	It is therapeutic to have people listen to me when I share by complaining			0.50		
	Q3	It's good for my mental stability to share my bad experience			0.45		
	Q4	My contributions show others that I am a clever customer			0.43		
Factor 6 Distrust	Q45	Online reviews cannot be trusted because there are just too many uncertainties					

## **CONCLUSION**

The purpose of this study was to examine if different genders affect consumers' communication on eWOM and if these consumers have different motivations and expectations for this communication vehicle. Using a sample of 150 students from University who had written online reviews, this study explores the question: What drives consumer conduct eWOM?

This study was built on the framework of previous studies, but author added trust and distrust as two new motivations. The results suggest that gender differences will have impact on concern for others and retaliation upon company. No significant relationship was found between gender and self-expression, overall trust, venting negative feelings and distrust separately.

For eWOM platform managers or marketers, the results of this study provide a new framework of consumers' eWOM intents and a new perspective on gender effect. The marketers can develop more applicable plans to attract consumers of different genders. For example, marketers can develop a more interaction friendly community for those platforms targeting female customers, since women tend to care more about others. In addition, platforms might be assigned more efforts on dealing with negative feelings from male customers, since they are more likely to revenge the company due to a dissatisfied experience.

Some limitations are associated with this paper. First, it utilized a convenience sample. The results could be more applicable to larger populations if the sample was expanded. Second, this study looked at aggregate platforms. Though it provides insights for aggregate platforms, future studies can explore more on each specific platform, such as public forum and blog. Finally, more measures can be introduced in this model, such as family income and education level, which would help researchers draw more conclusions about their sample.

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# A GENERAL VIEW ON E-BIZ

**C.B.Pavithra<sup>1</sup>**

Research Scholar, Ph.D-Commerce.  
SDNB Vaishnav College for Women,  
Chromepet, Chennai - 600044  
Email: pouma1993@gmail.com

**Dr.A.C.Ranganayaki<sup>2</sup>**

Email: acranga75@gmail.com

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## ABSTRACT

In today's world, the intensified connectivity provided by the Internet with electronic devices has transformed the nature of business activities. Technology revolution has allowed the developments of new and more efficient delivery and processing channels as well as more innovative products and services. With the liberalization of the Indian Economy in 1991 and the subsequent economic reforms has bought out enormous excellences in every field. E-Biz is "a new world of simplicity and convenience for the business interactions with the government". E-Biz is a collaborative effort engaging Government at the Central, State and Municipal Levels. It will considerably reduce the complexity in obtaining information and services related to starting and operating a business in India. The main aim of E-Biz is to simplify the process involved right from the registration, inspection, licensing etc., to entire life cycle of business and industries. This research paper is a conceptual study which explores the meaning, objectives, vision, uses, and challenges of E-Biz in India.

**Keywords:** E-Biz, Expediency, Effective, Efficient, G2B Services.

## **INTRODUCTION**

The progress in information and communication technology has paved way to convenience in every activity. It has provided various opportunities for each and every sector. Especially the invention of internet is really a big boon and has bought a good fortune in the life of people. The technology has transformed the way of doing business from traditional brick and mortar or in-store to modern virtual or online store. Even the payment system has transformed from conventional cash based payments to contemporary click payment basis. The various online communication and transaction include Business-to-Business (B2B), Business-to-Consumers (B2C), Business-to-Government (B2G), and Government-to-Business (G2B). Since there is transparency and accountability in online mode Government encourages online business and transactions. E-Biz is an online portal which provides Government services online for business. The goal of E-Biz offers a friendly relationship between investors and Government in India, right from formation, creation and starting of a company, and its operation related procedures.

## **OBJECTIVES OF THE STUDY**

The main objectives of this paper is

- To study about e-biz
- To discover the objectives and vision of e-biz.
- To identify the uses, participants and services offered by e-biz.

## **E-BIZ**

E-Biz is one of the combined service project which is a segment of Mission Mode Projects under the National E-Governance Plan of the Government of India. The E-Biz portal was fostered by Infosys in a Public-Private-Partnership (PPP) model which will provide a one-stop shop for providing G2B (Government to Business) services to investors and business communities in India under the leadership and sponsorship of (DIPP) Department of Industrial Policy and Promotion. Its focus is to enhance the ecosystem of business by providing efficient, effective and quick access to G2B services via online portal. Its aim is to provide services to the business community and to create investor-friendly business. E-

Biz targets to foster transparent, efficient and convenient interface, through which the Government and Businesses can interact in a timely and cost effective manner. E-Biz is “A New World of Simplicity and Convenience for All Your Business Interactions with the Government”. The crux of E-Biz lies in paradigm shift by “Government in its service approach, from being department-centric to customer-centric”. The main target of E-Biz is to

- ✓ Originate a business-friendly relationship.
- ✓ Service-oriented approach by Government to business, industrialist and investors.
- ✓ Provide all essential G2B services online with single-window concept throughout the life of the business.

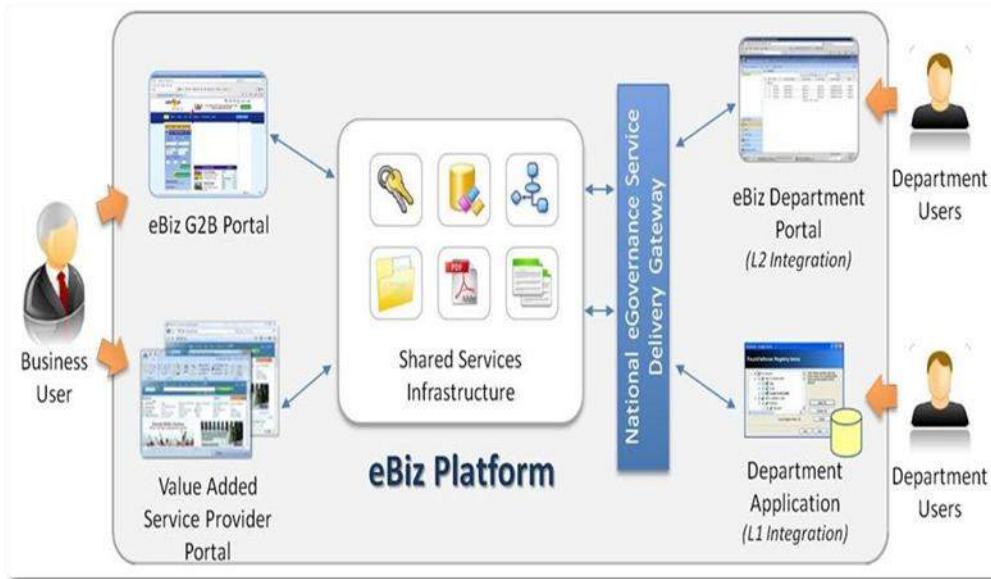
## **OBJECTIVES OF E-BIZ**

- ❖ Delivery of all necessary regulatory Government Service online in a single web portal round the clock.
- ❖ Granting of licenses and permits for business in an electronic form.
- ❖ Though an electronic one-stop-shop permit the businesses to pay taxes, renewal of licenses, filing of returns, register compliant, etc.
- ❖ Eradicating the requisite of physical boundary with numerous governing authorities at the Regional, State and Central levels.
- ❖ Mainly to encourage business and government relationship and transactions.

## **VISION OF E-BIZ**

The vision of eBiz is to offer online  $24 \times 7$  Government services for businesses and have a friendly relationship with investors, industrialists and business personnel. They provide information technology enabled informational and transactional services for business community. The target of e-biz is to offer efficient, convenient, transparent services to investors, industries. They provide services to business entity and industries such as forms, procedures, licenses, permits, approvals, registrations, clearances, permissions, reporting, filing, tax payments and compliances of throughout the life-cycle. The e-biz project enables electronic integrated services to transform the country’s business ecosystem. The crux of E-

Biz lies in paradigm shift by Government in its service approach, from being department-centric to customer-centric for the business groups. The Project envisages setting up a G2B (Government to Business) portal to serve as a one-stop shop for delivery of services online.



### Participants for the project

The participants or stakeholders for e-Biz are Entrepreneurs, Industries and Businesses, Large / Medium / Small Scale Industries Sector, Industry Association, Indian Investors, Central, State, Local Governments, Industrial Promotion Agencies, Regulatory Agencies, Taxation Authorities, Banks and Financial Institutions, EXIM Houses, Foreign Direct Investors and Citizens.

### Services provided by the project

All services from starting a business to operating a business and even for closure or winding up services are offered. They provide electronically generated copies of letters, approvals, licenses, certificates. Registrations, filling of forms, returns, tax payments, requests for permissions, approvals, licenses, seeking information regarding records, tracking the status of requests are some of the services offered by e-biz projects.

### USES OF E-BIZ

The E-Biz online portal which has been developed by Infosys in a public-private-partnership model will provide a one-stop shop for providing G2B services to investors and business communities in India. Businesses that are already operating in India or planning to start operations can use the portal to obtain licenses, approvals, clearances, no objection certificates, permits and even for filing of returns. E-Biz has got an in-built payment gateway which allows all the payments to be collected at one point and then allocated, divided and then directed to the concerned heads of account of Central / State / Parastatal (a quasi-government organisation, corporation, business or agency) agencies along with generation of challans and Management Information Systems Reports. The Uses of eBiz are:

- ✓ It provides information and services in a cost- effective manner and expediently.
- ✓ It offers online interaction and transaction between Business and Government.
- ✓ It minimizes the process time involved in pre-establishment. The portal will also help in reducing the delays and complexity in obtaining information and services.
- ✓ Entrepreneurs can submit single integrated application for obtaining multiple licenses and approvals and also make a consolidated payment for the same.
- ✓ E-Biz in its portal has got in-built gateway which helps to make various payments promptly for taxes, duties and other statutory processing and stamp fees.
- ✓ Moderates the number of procedures, cost and time involved in getting approvals for starting and operating a business.
- ✓ It combines the central, state and local Government services, in a single-window mechanism concept.
- ✓ E-Biz boosts the information and transaction process with quick, transparency in delivery of services, certainty, efficiency and effectiveness.
- ✓ This helps to cutback corruption and tax evasion since transparency in online transaction leads to accountability.
- ✓ It helps to create trust in Government Agencies and reduces the gap between Government and businesses.
- ✓ By using electronic mechanism it generates automatic workflow with the regulatory, authoritative and legal departments.

- ✓ It enables online tracking and scrutinizing of applications, aids in grievance redressal and solving disputes with the electronic automated systems.
- ✓ E-Biz reduces the encumbrance of compliance tapering the voluminous registers, returns and also rationalizes the inspection regime.

## **CHALLENGES OF E-BIZ**

Some of the issues faced during the implementation of E-Biz are first-time syndrome, cost of integration and management, lack of integration between partners of business to e-biz, delay in approvals and launch of gateway, impact of paradigm shift in Government services with respect to business ecosystem.

## **CONCLUSION**

The E-Biz is an online Government portal which uses single-window concept to facilitate businesses and investors to foster the business environment by saving their time and money involved in getting licenses and approval. E-Biz provides round the clock service and also offers combined services where a single integrated application helps to obtain numerous licenses and approval electronically across multiple Government agencies.

E-Biz seems to eradicate the bottlenecks in procedures and also enables the establishment of investment climate by way of crafting a mechanism for seamless, smooth and hassle-free B2G Business to Government relationship and Industry-Government interface.

E-Biz is a state of art and topnotch of Government to Business (G2B) portal that enriches business competitiveness in India. E-Biz also provides equal opportunity to all citizens who are interesting in starting a business which leads to social justice and also minimizes the unemployment rate and gradually leads to economic development of our country.

E-Biz can significantly enhance the country's position on the World Bank's Doing Business' ranking, by making the nation a friendly destination for businessmen and investors. A truly integrated Single Window with a joined-up service for business registration can potentially improve the country's "Starting a Business" ranking to 112 as of now and prospects to jump of over 50 positions in the near future.

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# A STUDY ON THE FUTURE OF CUSTOMER RELATIONSHIP MANAGEMENT

**Adheer.A.Goyal, Assistant Professor, Umong Geetai College of Women Education**  
Email: [adhir.goyal@gmail.com](mailto:adhir.goyal@gmail.com)

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## ABSTRACT

**C**ustomer Relationship Management is no longer considered a business trend, but an industry standard that is required to secure and maintain competitive advantage. CRM, when correctly and effectively utilized, results in increased profitability and greater customer loyalty, two key points for any organization. This paper will address the future of CRM and will support assumptions for future CRM value based on effective examples of current day to day scenarios. The internet can be effectively utilized for CRM, and one company that is an example of customer loyalty success is Harrah's Casino. Furthermore, multi-channel approaches are essential for future CRM success, as shown by Amazon.com, who has developed a successful customer relationship marketing program.

**Key Words:** Customer Relationship Management; Business Trend; Industry Standard; Harrah's Casino, Amazon.com, Customer relationship marketing program.

## INTRODUCTION

### The Future of CRM

Customer Relationship Management is not a new concept. In fact, CRM in some form or fashion has been around for a few decades. Kennedy (2006) defines customer relationship management as being “about identifying a company’s best customers and maximizing the value from them by satisfying and retaining them” (p.58). There are those on both sides of the fence who argue for and against CRM, but the research remains consistent that a properly implemented, company-wide CRM initiative will truly save company money, increase revenue, and grow customer loyalty. Competitive times such as these, and a future

to only grow more competitive in the commercial industry, require competitive advantages to give companies a leading edge. The future of CRM is not 100% clear: the needs of business owners change over time, and top performers are constantly raising expectations by making breakthroughs in the product marketplace. However, those who understand how customer relationship management is evolving will have a better idea of where it could be headed. Organizations that are attuned to the current CRM climate have the opportunity to take advantage of the best options available today. In this whitepaper we outline five crucial trends for the future of customer relationship management systems, including:

- Better customer insight
- Mobile-first technology
- Growing beyond cloud-based CRM
- Customer and employee retention

To shed light on the future of CRM, this paper will cover the impact of the internet on CRM, an example of a successful customer loyalty program through the example of Harrah's Casino, a discussion of future trends in multi-channel approaches, and an example of a successful CRM marketing program through the analysis of Amazon.com. And the current trends like Personalized Workflow Automation through Artificial Intelligence (AI) technology platforms, from Social Media to Social CRM, tighter Integration with External Tools and Snackable CRM / Messaging. These studies will collectively provide an expectation for the future of CRM as drawn from examples of today. In conclusion, it is the recommendation of this author that the cost for implementation of company-wide CRM initiatives is greatly offset by the value obtained from customer loyalty and increased profitability, and thereby this author sites an increase in future companies implementing CRM initiatives.

### **The impact of the internet on CRM**

Freeland (2003) asserts that the internet is a channel that will continue to increase in customer relationship management and utilization for all companies both now and in the future. The Internet is terminology which includes all of the following: "email, world wide web, chat rooms, e-forums," blogs, and so forth (Kennedy, 2006, p.59). The internet can

provide an overall better and more consistent customer experience, and also allows for increasing data collection and better customer personalization experiences. This, in turn, all lead to increased profitability from customers and greater customer loyalty (Freeland, 2003). The research of Hamid and Kassim (2004) determines that “click-and-mortar companies show a higher percentage of using the Internet technology for CRM compared to pure dotcom companies. There is a positive impact on the utilization of Internet technology on CRM” (p. 103).

Hamid and Kassim (2004) further determine through their research that customer loyalty, while partially impacted by the internet, also is determined by a combination on online experience with things such as the quality of after sales service. Furthermore, Hamid and Kassim (2004) found that the internet is currently most being used by companies “primarily for providing corporate information in order to build brand identity” (p. 107). Therefore, they are “providing corporate information rather than [using the internet] for other strategic purposes” (Hamid and Kassim, 2004, p. 107). This research supports the claim that there is still ample room for companies to embrace broader CRM initiatives including a more customer-focused and useful online presence. Kenney (2006) asserts in her research that eCRM is “the proverbial double-edged sword, presenting both opportunities and challenges for companies considering its adoption and implementation” (p. 58). Kennedy (2006) furthermore notes that the internet can provide a platform for e-CRM initiatives that will help companies to develop and better manage customer relationships and improve and facilitate customer supplier relationships, as well. Along with the internet’s ability to facilitate an increase in customer loyalty, some companies who go above and beyond institute a specific customer loyalty program. One such company is Harrah’s. Harrah’s: an example of CRM loyalty program success.

One company that has exceeded in customer loyalty development programs is Harrah’s Casino. Krell (2006) notes that Harrah’s and other casinos can now predict very accurately to what level and how much a customer will spend in a visit, day, or year. This ability to predict information can assist casinos with developing strategies to keep the high rolling customers returning and feeling like a privileged group: and privileged builds customer loyalty. Customer loyalty programs such as Harrah’s are tailored to provide increasingly

valuable rewards to top paying customers, all with the intent to keep them returning and spending more money with the one company over competitors. The software development and information gathered are precious few minutes of effort compared to what can result in a lifetime of customer loyalty and thereby, company profit.

In order to attract and retain customers and build loyalty, Harrah's has implemented a "total rewards" loyalty program. According to Littman (2005), "in the late 1990s Harrah's made Total Rewards just one part, of a far-reaching initiative that rewards employees for pleasing guests, ties pay to customer satisfaction and most important for the stockholders of the publicly traded company-boosts revenues" (p. 71).

This CRM solution keeps all of a customer's personal information, preferences, and purchases in one spot for easy marketing and research attainment. The company has attached rewards benefits to levels such as "gold" and "platinum", and rewards grow more generous by the level increase (Krell, 2006).

Harrah's customers can be divided then into segments, and behaviors analyzed in order to determine rewards and processes that will make these most profitable customers loyal. Specifically, Harrah's keeps a keen focus on customer happiness because those customers who are happy will stay longer and spend more money in the casino (Krell, 2006). Furthermore, Harrah's hired experts who trained front-line employees in how to treat top customers, how to call them by name, and even changed hiring strategies to focus on hiring candidates who truly like people (Krell, 2006). This level of personalization leads to customer loyalty and increased revenues, as shown by Harrah's success. Harrah's utilizes many different channels for marketing and customer contact. The next section will focus on current and future trends in multi-channel methods to connect more effectively to customers.

### **Future trends in multi-channel approaches**

The future is wide open for companies to adopt multi-channel approaches to customer relationship management. The research of Warrington, Gangstad, Feinberg and de Ruyter (2007) asserts that "multi-channel retailers that utilize an e-CRM approach stand to benefit

in multiple arenas by providing targeted customer service as well as gaining operational and competitive advantages” (p.57). For example, Freeland (2003) asserts that technologies such as PDA’s, mobile phones, and other wireless technologies have not yet been as fully embraced as they can be in assisting to maintain the customer relationship. Some companies, however, have embraced text messaging to reach out to and keep their customers informed of deals, info, and trends to assist in developing customer loyalty and satisfaction. The current trend for marketing is to include multi-channel communications across many platforms all for the same message.

For example, television is no longer a passive experience. Customers of cable companies and those who watch specific shows can participate through text messaging. Many shows today allow customers to text in and possibly have their message displayed on the television in real time. They furthermore can blog about what they are seeing on the television on the show’s website, and there interact with other customers who watch the same shows. This utilization of different channels to create an overarching customer experience is truly the future of multi-channel CRM marketing and customer relationship development. Kennedy (2006) asserts that mobile technologies are safe, reliable, automatable, and are able to be customized and personalized with little additional cost. Warrington, et al, (2004) assert that “if retailers are offering shoppers multiple channel options now, it is expected that pressure will increase for all retailers to do so in the future” (p. 64).

It remains valuable for a company to utilize multiple channels because research has proven that multi-channel shoppers spend more money than those who utilize simply one channel (Warrington, et al, 2004). One company who has excelled in utilizing multiple channels to assist with developing a strong customer relationship marketing program is Amazon.com.

### **Amazon.com: a successful customer relationship marketing program**

One company, an example of the success and profitability of a well-deployed customer relationship marketing program, is Amazon.com. The company’s use of personalization software combined with significant amounts of research can draw conclusions regarding what books customers would like to purchase based on their past behavior and the behavior

of others similar to themselves (Harney, 2003). The result of their efforts is a constant flow of personalized up-sell.

Amazon.com has created a forefront that implements the tactics noted by Freeland (2003) of incorporating buyer behavior and buying process to tailor experience to each individual customer. Their marketing strategies relate to the customer's behaviors of habitual, variety seeking, dissonance reducing and complex, tying into awareness, consideration, preference, purchase and resulting loyalty (Freeland, 2003). First, "Amazon starts by supporting awareness through virtual storefronts on affiliated Web sites" (Freeland, 2003, p. 226). The links at Amazon "seamlessly move customers from awareness of their book needs and desires to consideration of a purchase" (Freeland, 2003, p. 226).

## **Current trends of CRM in 2018**

### **1. Personalized Workflow Automation through Artificial Intelligence (AI) technology platforms.**

Artificial Intelligence technology will undoubtedly be the most prominent advances for CRM in 2018. AI has the potential to make every business smarter.

AI will power up our CRM systems to learn from our interactions through data, help us find answers to our questions, predict our needs, and it will take care of tedious and forgotten tasks so we can focus the important ones. By doing this, AI will reduce manual work to the minimum, create automatic actions and reconfigure interfaces to better suit our usage patterns and save us hours of work.

With AI-powered CRM systems, companies can access unseen and untapped operational and system activity patterns, and uncover insights to deliver significant benefits.

For example, CRM systems coupled with AI will learn from repeated usage patterns of marketers and salespeople. Based on that, it can automate their tasks on a daily basis. Furthermore, AI can collect information on a lead or an existing customer, analyze the data, predict trends, and make critical decisions which will reduce the number of cold calls for sales departments.

## **2. From Social Media to Social CRM.**

Social CRM is the next frontier in customer relationship management, for companies who want to optimize the power of social networks, so they can get closer to their customers. Many businesses have enthusiastically embraced social media and started creating virtual communities.

Interactions through service bots in social networking sites will keep customers engaged with brands and companies since they can influence a company's image and perception. Social CRM will not only engage and interact with existing and potential customers, but also give organizations access to information about customer behavior and opinions. This aids in quickly resolving issues (e.g. with mobile devices) and may be done anytime, anywhere.

An example of Social CRM is Comcast Cares, Comcast's customer service via Twitter. If done right, Social CRM may undoubtedly enhance an organization's Social media connections and may allow businesses to better anticipate and respond to customers' needs; as well as monitor, track, and manage conversations. This is regardless of Comcast's problem in that their customer service is already widely unpopular, despite repeated executive promises and detailed improvement plans.

## **3. Tighter Integration with External Tools**

Another trend for CRM in 2018 will be to improve the usage of CRM systems through tighter integration with external tools and services. CRM developers will need to find a way to integrate new services and technologies across sales, marketing, and customer support applications.

There is a need for industry-standard interfaces to connect to multiple solutions and services. For example, REST based APIs are the key to successful collaboration by allowing systems to easily communicate with one another securely and privately.

According to CEO of online lawn care provider GreenPal, Bryan Clayton, most major CRMs have integration today but they have a long way to go to allow for intelligent

synchronization across platforms. Mobile and web-based solutions need to be integrated with a CRM for enhanced productivity.

For example, external tools in the form of apps may be used to enhance user productivity and help users to easily and seamlessly perform work.

***“The future CRMs will need to use information from different but tightlyrelated sources over time, including social signals, communication frequency, omnichannel support, and customer analytics; and collect them to generate meaningful relationship intelligence”—Asokan Ashok, CEO of UnfoldLabs.***

### **3. Snackable CRM / Messaging**

According to Gartner, businesses who fail to implement the right data management and customer interaction strategy will lose out on a 25% increase in potential new revenue. Companies around the world are striving to design and implement optimal CRM-based campaigns and programs, aiming to reach and engage their audience across channels and devices.

Personalization will continue to drive the individual customer experience. CRM will still be critical in reaching customers through messaging. This means reaching the right audience exactly where and when they need to receive the message. Tools like automated AI analysis, which will “know” when and to whom those messages got sent to, will make this possible.

Bots on Facebook Messenger, for example, are already able to determine user demographics and other valuable user information. As a result, organizations can identify potential market segments, and track traffic and sales patterns to personalize messages to customers based on this information.

To quote digital marketing manager for Sparxoo, Erika Levy, “What’s exciting is the ability to use CRM data to get the right messages to audiences at the right time.”

## CONCLUSIONS

1. This author asserts that the future of Customer Relationship Management is to become standard operating procedure for organizations across industries. Research consistently supports that companies that implement organization-wide CRM solutions and initiatives that are all connected can achieve increased customer loyalty and greater profitability and revenue generation. The world as it is today is far more competitive than it was even just a few years ago. Therefore, companies must find ways to increase their industry presence, and achieving customer loyalty has truly become a core competency.
2. Companies no longer have the option to include internet connectivity, presence, and customer buying and service. This has now become the imperative. If customer behavior continues to progress to the technological, it is possible that in the future customers will refuse to do business with those companies who do not have an online presence. Furthermore, if the economy continues in the direction that it is currently headed, many companies may downsize their brick-and-mortar companies and instead move to a more online central focus as this can save them significantly within their budget.
3. Companies will continue to realize that targeted marketing messages are essential, and only accurate and complete customer data can create the segmentation required to develop marketing initiatives that offer multi-channel, personalized approaches tailored to specific customer buying behavior to thereby produce a sale. As previously noted, CRM will be the imperative, not the option, for business protocol when managing customer relationships in the future. Technologies such as the internet will be the core of customer relationship management, and companies will become fluid in multi-channel approaches to the customer while still creating a one-faced approach. The future for CRM is very bright.
4. Companies will need to recognize how to harness CRM to build and keep customer relationships. With the advent of AI, Machine Learning, and Big Data; CRM will be able to utilize the vast amounts of data available to it. Moreover, organizations can no longer deny the power of social media, and social CRM will help companies gain an

insight into customers' opinions as well as aid in interacting with those customers. Staying on top of the changes and trends in CRM means: having the ability to evaluate trends and making better predictions and decisions. Integration, personalization, and identifying attention-grabbing information will help organizations deal with customers in the best way possible.

5. We've come a long way from CRM's early beginnings, yet it's still not a perfect tool. One of the challenges facing the CRM industry is how companies can best integrate CRM into their system. However, CRM solutions continue to incorporate more features like customer service, and social CRM and are becoming cloud-based, integrating with mobile devices. CRM technology will continue to grow and evolve in the years to come, and organizations must actively participate in its adoption and development.

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# **A STUDY OF VARIABLES IN MANAGEMENT EDUCATION IN INDIA AGAINST EMPLOYABILITY OF THE STUDENTS WITH SPECIAL REFERENCE TO HR SPECIALIZATION: A PERCEPTUAL DIFFERENCE BETWEEN THE EMPLOYERS AND THE EDUCATORS**

**Frederick Sidney Correa<sup>1</sup>**, AVP – HR, Darashan & Co. Pvt Ltd

Email: [fredericksidneycorrea@gmail.com](mailto:fredericksidneycorrea@gmail.com)

**Harshali Bhalerao<sup>2</sup>**

Email: [harshalibhalerao@gmail.com](mailto:harshalibhalerao@gmail.com)

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## **ABSTRACT**

**I**ndia, as one of the fastest growing economies in the world, has witnessed a steady rise in the demand for skilled workforce. Various factors contribute to the increase in this demand. Favourable Indian demographics being the youngest country in the world and the size of population are the most important among them. These two factors are also the biggest drivers for investors to look at India as the emerging global marketplace. The world is therefore turning into India as the major talent provider.

The need for high quality management graduates in India is also on the rise. This has resulted in the growth of management institutes in India. The role of these management Institutes is not only to deliver quality education to the students but also to prepare them for the careers. Most of the students studying in such management institutes take up pivotal roles after their education. In fact, employability of the student is considered as a one of the important criteria of success in the arena of management education.

Management Education in India has not grown in an evolutionary manner. Its development has been random and its objectives, content, pedagogy and other aspects need re-examination in relation to the needs of India, in an increasingly globalizing economy. Despite best intentions, however, many of the management institutes are not able

to produce management graduates with adequate employability skills. While knowledge, skills, abilities and attitude are generally accepted as the foundations of employability, many of the management institutes are not able to bridge the gap between these attributes of their products and what the industry demands.

The employers complain about the disparate skills of graduated student community. The students are not ‘work ready’ according to the managers. Some of the students lack skills like communication, especially business communication, manners and etiquettes, applicability of key theory topics, to name a few. Even after graduation, the students have to learn these key skills in order to be employed in the organizations and in order to handle key roles, in core HR. The corporates have to invest a lot in training the students for these key skills to make them ‘employment ready’, even after a formal education in the same field. There exists a gap between expectations of the industry and the delivery of the management institutes. Even though most of the management institutes are keen about industry academia interaction, they fail to bridge the gap. Many management Institutes offer guest sessions, summer internship and live projects so that the students get an exposure to the corporate culture. The problem of employment still persists.

The current study is based on secondary data aiming at the understanding of complexities of Management education in India with special reference to the employability of the students. This study aims to study the variables associated with Management Education with respect to employability. These variables include the curriculum adapted by the institutes, competence of the faculties, use of appropriate pedagogy, industry-oriented projects and research undertaken by the faculties and the students of the institute. A more severe problem is observed with regards to students taking-up HR specializations in their - Post Graduation. The number of students opting HR in the management institutes is less numerous as compared to those opting Marketing and Finance. It is also observed that the number of companies and the number of job positions offered for HR is also fewer as compared to those offered to Marketing and Finance specialization students. This paper aims to show that there is self-defeating vicious circle leads to low quality students taking up roles in the HR field, which in turn is affecting future of HR.

## INTRODUCTION

In the discourse of serious academic literature, it's always prudent to consider the precincts and prelude of the subject at hand as the faculty and the body-of knowledge progress on a continuum of the old literature.

If, one was to fit the conventional and current literature in Management to the academic achievement of Baccalaureate, Masters and Doctoral outcomes most often we transgress the holistic view. What is meant here is, the awarding of degrees, is an outcome of several years of school, college and other progressive years of education. But, when one evaluates a person's highest degree we tend to look at the tail ends. This understanding needs a relook and rethink.

So ideally, what has been learnt at school, and further studies should be progressively used at every academic milestone.

As we are all aware that the 10+2+ 3/4 system of educations puts the students into the science commerce or arts silos right after matriculation there is a little chance that a candidate can pursue several related courses at the same time.

Having dwelled on the introduction in a rather numerous views in it lets try to build the focus on the topic of this paper problems and employability of M.B.A students with H.R. specialisation. It would pay rich dividends to all if we were to pause and look at the classical and neo-classical Management literature and the context.

The classical literature focussed on the aspect of explanation and agreeing to the median meaning of Management. It attempted to look at the organisation structures, manning those structures, the function of management to achieve to command and control; aligning the view of individuals to the organisational goals. When we talk of Management today we unintendedly think of corporations and Multinationals in whose realms the subject is held. But often, one forgets, that every institution needs management whether profit making or non-profit making; schools colleges the government clubs and a plethora of other organisations. The simple fact remains that every organisation has some objectives to

achieve and it employs all the resources physical and non-physical to achieve the goals it is set to achieve.

The Management literature having born out of the manufacturing industrial age; the neo classical literature dealt with the progressive problems like authority, responsibility, leadership, span of control and aspects like these.

Out now, it would be very apt to introduce the outlook with which management education was introduced in the academia. In Americas and in Europe it was introduced generally with the intent of equipping students with the commercial terms trade jargons and non-technical aspects of Businesses. Out in India, it is a follow-up of this idea and perceived as a value addition for negotiation higher pay packages across the board during the 90's decade especially with the opening of India economy and unprecedented job positions in finance marketing and HR. Before this, the Indian Institutes of Management (I.I.M's) were set-up by the Administrative Staff College (A.S.C.) Hyderabad. In sum and substance, the Macro-environment of the 90's was the key driver for proliferation of the Business Schools.

With this adequate introduction to Management education and its academic avatar it would serve this paper very well to look at progression of H.R. roles in the management education discourse.

### **India as an emerging global market – The demographic dividend**

According to Census 2001, 35.3% population of the country was between the age group of 0-14. Around 41% of the total population was less than 18 years of age. With a population of 1.2 billion people in India, nearly half which is below the age of 26. (*"Age Structure And Marital Status"*, *Census 2001 Retrieved from:*

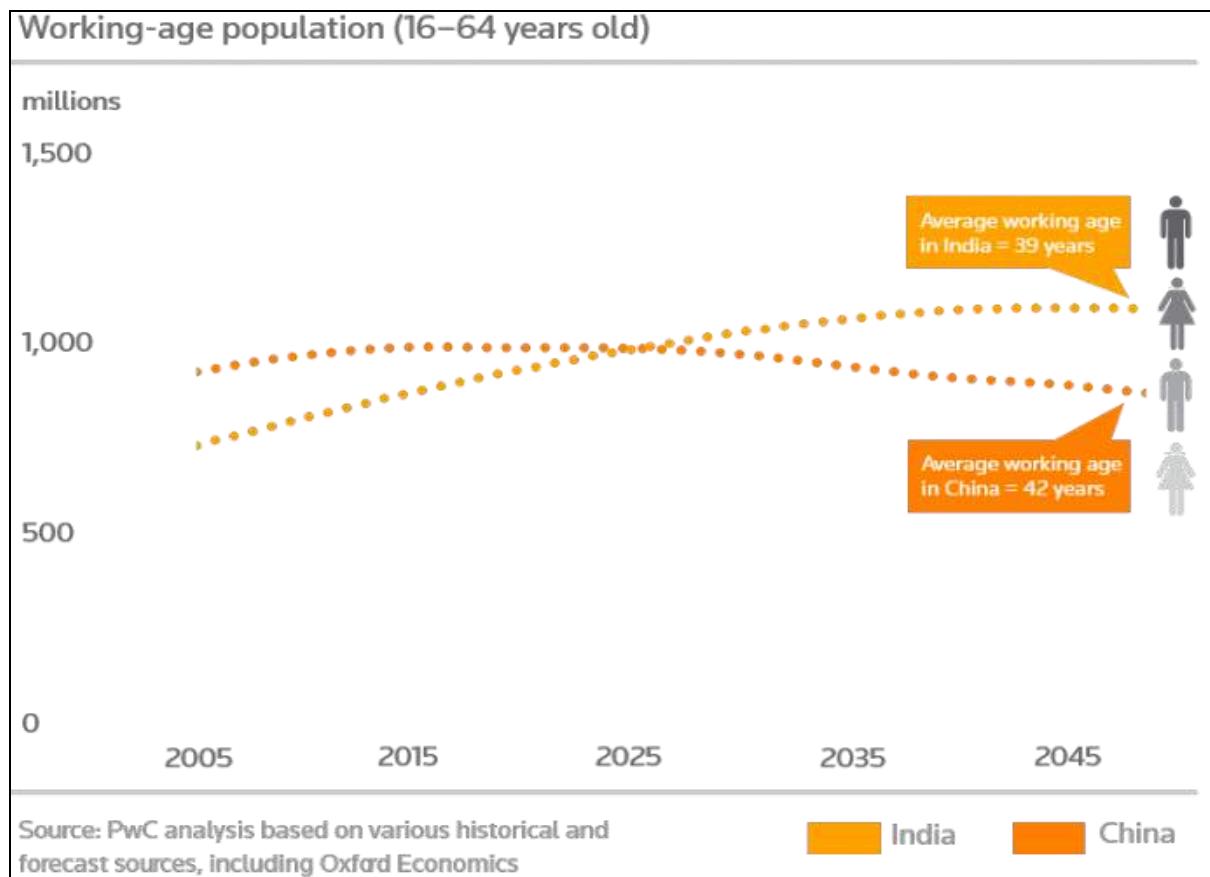
[http://censusindia.gov.in/Census\\_And\\_You/age\\_structure\\_and\\_marital\\_status.aspx](http://censusindia.gov.in/Census_And_You/age_structure_and_marital_status.aspx))

According to Census 2011 India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. (Basu, Kaushik (25 July 2007). "India's demographic dividend". *BBC News*. Retrieved 24 September 2011). India is set to be the youngest country in the world, having a median age of 29, by 2020.

## Challenges in India:

Growing population is posing various challenges. Employability is one among the major challenges that India is facing. (“8 Challenges for Indian Economy in 2017”, Ritesh Kumar, retrieved from <http://socialsciences.in/article/8-challenges-indian-economy-2017> at 3.30 pm). Problem of employability of young graduates and demand slowdown has the potential to gradually turn the country’s demographic dividend into demographic disaster.

If Indian educational institutes can make their pedagogy more employability-oriented and less curriculum-oriented, this young population will offer a sustained competitive advantage to India. This growing workforce will also lead to the reduction in labor costs and within a time span of 15 years the Indian workforce will be larger than the Chinese counterpart and will be able to stay younger.



**Source: PwC Analysis based on various historical and forecast sources, including Oxford Economics**

(“*Indias-demographic-dividend*”, 7th July 2016 Retrieved from:  
<https://blogs.thomsonreuters.com/answerson/indias-demographic-dividend/>)

The changing socio-political conditions in China, favorable demographics and the increasing size of the middle-class population are the biggest drivers for investors to look at India as emerging global marketplace. As Indian markets increase, so would the employment opportunities in India. Hence the world now turns to India to meet the demand for talent.

(“*Indias-demographic-dividend*”, 7th July 2016 Retrieved from:  
<https://blogs.thomsonreuters.com/answerson/indias-demographic-dividend/>)

### **Management Education in India:**

Number of Management Institutes in India: Study by the ASSOCHAM Education Committee (AEC) has noted, India has at least 5,500 B-schools in operation now, but including unapproved institutes could take that number much higher. There are more seats than the takers in the B-schools. In the last five years, the number of B-school seats has tripled. In 2015-16, these schools offered a total of 5,20,000 seats in MBA courses, compared to 3,60,000 in 2011-12.

Curriculum in Management Institutes: A good curricula is important for the stakeholders of the B-School; students and employers to be more precise. Curriculum of no two B-Schools is alike. (Decoding MBA curriculum retrieved from <https://bschool.careers360.com/articles/decoding-mba-curriculum>). There is a wide gap between what the job market needs in its employees and what the management graduates are able to provide to the industry. Widening this gap is the lack of regularity in updating the syllabus.

While the face of the industry takes less than a year to evolve, the syllabus is not constantly updated in many cases, thereby widening the gap between what is learned and what is

required in the current job market. (Problems with management education in India by Dr Bakul Dholakia retrieved from <https://www.indiatoday.in/education-today/featurephilia/story/mba-education-problems-328626-2016-07-11> at 4:00 pm)

**Problems faced by Management Institutions:** Notwithstanding the continuous endeavors put in by some of the most notable academicians, India Management education system, like its many counterparts, suffers from the inherent drawback of being conventional and lethargic. The academic curricula are often outdated and contains many topics that have got little association with the industry expectations. Though Indian academic institutions, especially management institutions are increasingly involved in industry-academia interaction, the industry often finds the academic curricula insufficient in practically. Again, these curricula updated or otherwise, should be taught by faculties who have the required academic qualifications and adequate industrial experience, not to mention a flair for teaching. Management institutes often struggle to find such faculties, who have the quintessential experience of both worlds; in adequate number. The objectives, pedagogy, and context need to be reexamined and have to be based on the need of Indian Managers today as the expectations and skills demanded of them are continuously changing.

To excel in any market, one needs managers who can conceptualize, ideate and show innovation in products and services creating customer delight. India has always lagged in its ranking when it comes to such parameters. If we are to become the next global economic giant, we have to focus on management education as that will be crucial if we are to maintain any competitive advantage.

In 2003, a committee was appointed by AICTE to develop a plan for the improvement of management education keeping in mind in the Indian context. Following were the committees' recommendations, viz.:

- Admissions for B-schools to be done only through a national level common entrance test followed by GDs and PIs
- B-Schools must get accreditation, as that ensures quality
- Institutes must regularly partake research
- Management education has to be globalized by setting up of exchange programs

The committee also identified the following systemic problems management education in India face:

- Lack of good quality faculty
- Lack of good quality research
- Lack of course materials specific to the Indian context
- Poor infrastructure in terms of libraries and access to computers
- Poor Industry Interaction
- Low investment in Faculty Development

Despite the above lacunae, Postgraduate education in management is currently enjoying a higher demand than ever before, for several reasons:

- Larger numbers of graduates passing out every year making the job market more competitive than ever before, hence most of them head towards higher education
- Many multinational companies which have set up offices in India have displayed a preference towards candidates with PGDMs/MBA qualifications while several others have raised the entry-level qualification itself.
- Student's perception that an MBA/PGDM will provide them with special skills such as good communication, teamwork, leadership, and quality exposure to current business and commerce trends thus enhancing their employability.

(Gill, G.S (2005). *Management Education in India: A study of few B-schools*. Retrieved from: [shodhganga.inflibnet.ac.in.](http://shodhganga.inflibnet.ac.in/) )

### **Employment VS Employability**

It is necessary here that we distinguish between employment as an outcome, which can be measured by placement statistics B-schools print and pedagogy for employability, that relates to the training and imparting of knowledge, skills, and abilities to support sustained learning and career development. Employability not only has the relationship to one's first job but also for future points and change in one's own career growth and is part of a lifelong learning process to improve both employment prospects and to achieve personal goals.

(Pegg, A., (2012). *Pedagogy for Employability*, pg 7 Retrieved from:  
[https://www.heacademy.ac.uk/system/files/pedagogy\\_for\\_employability\\_update\\_2012.pdf](https://www.heacademy.ac.uk/system/files/pedagogy_for_employability_update_2012.pdf))

In other words, employability has 4 key facets. The ability to:

- 1) Gain employment
- 2) Maintain employment and make transitions between jobs and roles as and when required
- 3) Achieve growth in the existing job at an acceptable rate
- 4) Obtain new employment, if required

Employability increases the chances of getting employment but does not guarantee the same.(Fugate, M., (2004) *Employability*, *Encyclopedia of career development*, vol. 1, pp. 267-271, 2006).

Employability has been defined differently by various authors / organizations. Few of them are as listed in Table 1.1.

**Table 1.1: Description of Employability**

Author / Organization	Description of Employability
Yorke (2006)	It is a set of achievements, such as skills, understanding and personal attributes that makes graduates more likely to gain employment and be a successful in their chosen occupation which benefits themselves, the workforce, the community and the economy
Confederation of British Industry (CBI, 1999)	It is the possession of qualities and competencies by an individual required to meet the changing needs of employers and customers and thereby help to realize his or her aspirations and potential in work
UK Government (HM Treasury, 1997)	It is the development of skills and adaptable workplaces in which all those capable of work are encouraged to develop the skills, knowledge, technology and adaptability to enable them to enter and remain in employment throughout their working lives
Hillage and Pollard (1998)	the ability to gain initial employment, the ability to maintain employment and make transitions between jobs and roles within the same organisation to meet new job requirements, and the ability to obtain new employment, if required
Gazier (2001)	As 'Dichotomic employability' to differentiate between people eligible for relief (unemployable) and people looking for work (employable)
Centre for Employability (CfE), UK (Hinchcliffe , 2001)	Having a set of skills, knowledge and personal attributes that make a person more likely to secure, and be successful in their chosen occupation.
Sheffield Hallam University (2009)	Enabling students to acquire the knowledge, personal and professional skills and encourage the attitudes that will support their future development and employment
Harvey (2001)	It can be divided into two broad groups. The first relates to the capability of the student to get (and retain, develop) a job after studies. The other one is concerned with developing the student's attributes (skills, knowledge, attitudes and abilities) and finally empowering them to be a life-long learner.
Brown and Hesketh (2004)	It is relative chances of getting and maintaining the different kinds of employment
Vrat (2013)	As an overall index of a person to perform respective functions effectively within the organization and there is some value addition in the organization from his/her side.

(Fugate, M., (2004) *Employability*, Encyclopedia of career development, vol. 1, pp. 267-271, 2006).

Falling Employability of Management Students: In a hard-hitting report published in the Economic Times, it was revealed that a mere 10 percent of B-school graduates are actually employable. According to the report, India produces about three lakh management graduates annually, but hardly 35,000 of them are employable.

Quoting the 2012 National Employability Report, talent assessment company Aspiring Minds released a press brief highlighting the dismally low employability of India MBA graduates. According to the press release, the employability of MBA graduates from the class of 2011 was below 10 percent for functional roles in the field of HR, marketing, and finance.

(MBA Graduates & Employability: The slip between the cup and the lip by AIIMS Institute Report retrieved from: <https://theaims.ac.in/resources/mba-graduates-and-employability-The-slip-between-the-cup-and-the-lip.html> at 5:00 pm).

### **Employability of HR students**

Most B-schools offer Marketing, Finance and Human Resource Management as specialization for their students, with some offering Operations and IT, and others some specialized ones. The demand for students with Marketing and Finance specialization is higher in comparison with those with the others. The average entry-level packages offered to these students, though highly candidate-specific, are generally more than those offered to those with other specializations. This results into a very high percentage of students getting pulled towards the Marketing and Finance streams, including some of those who may have a natural flair for Human Resources. The demand for students with HR as a specialization is lower as compared to those with Marketing and Finance, but HR careers can be equally rewarding and satisfying, especially if one considers a long-term horizon. However, many, if not most B-Schools are found to focus more on the development of Knowledge, Skills, Abilities and Attitude of Marketing and Finance students compared to the HR ones. This negatively affects the employability of HR students, falsely highlighting the belief that HR students are not easily employable. As there is little research done so far in this context, the need of the hour is to find out the expectations of the industry from the HR students, the current pedagogy offered by the selected B-Schools, the degree of transformation offered

by this pedagogy, the gaps in the skillsets possessed by the students vis-à-vis the industry expectations and the probable method through which these gaps could be filled through the development of a transformation model and or an appropriate change in the pedagogy.

R. Krishnamurthi carried a study where he surveyed HR professionals to gather data to determine the skills that make HR candidates employable. Following were the key skills identified in that study which would significantly increase employability:

1) **Communication:** The Business Dictionary defines communication as a two-way process of reaching mutual understanding in which the participants not only exchange (coding-decoding) information, news, ideas and feelings but also create and share meaning. In other words, communication is a two way process in which news, thoughts, information, ideas and feelings are exchanged through a common set of symbols. An HR practitioner needs to be good at cascading the organization-wide decisions, policies, and operating procedures across all levels. They need to be well versed with different channels of communication and skilled enough to persuade, inform, entertain and inspire. HR professionals need to be good listeners and should have empathetic attitude.

2) **Interpersonal Skills:** HR professionals must also be good at developing and servicing relationships at the interpersonal, group, and organizational levels. They need to understand the importance of teamwork and should be competent to form a team and make it work. HR professionals must also be able to handle workplace diversity and make the organizational culture grow through the same.

3) **Presentation Skills:** Everyone remembers how you make them feel and not the facts. An impression has a higher impact on people. A successful HR practitioner excels in the art of blending facts and data with examples, anecdotes and visual images that leave a lasting impression.

4) **Decision Making Skills:** A large chunk of a manager's time is spent in making decisions. Issues, people, and context keep changing; hence there is no duplication of decision possible. Every time a fresh decision-making approach is needed. An effective HR practitioner understands that conflicts at the workplace are a norm in any organization and

they need to handle conflicts skillfully. Depending on the situation, an HR practitioner needs to adopt the most appropriate of the conflict management approaches; i.e Forcing, Yielding, Avoiding, Compromising and Problem Solving. HR practitioners should also have good negotiation skills.

**5) Mind Reading Skills:** The ability understands what other people think is a must for all HR practitioners. They need to understand emotions and pick up what is not communicated by people and deal with them accordingly.

(Krishnamurthi , R. (February 2, 2010) *Expectations of HR Professionals from HR graduates*, R. Krishnamurthi. Retrieved from: <http://www.indianmba.com/>)

## CONCLUSION

Having set the precedents in terms of the general understanding of degrees, its motivation, why students pursue it? and the recruiting side; it would now be fair to deal with. the imparting of training & the quantification of qualitative factors in influencing employment. Our indigenous experience that show that the academic management literature in vogue is an outcome of the classical and neo-classical manufacturing era. The Management practices that were developed and upheld in those times are still taught in the Management courses verbatim. The manufacturing scene has undergone tremendous change with more of automation and less of human involvement. Organizations have been lean and agile. The rate of change in technology availability of new, conjugate and competing products is fast than ever before. This pronounces the need for people who are equally agile to sense adapt and handle the changes. This has pused the management institutions to choose and impart training for such candidates. The proposition that is handed out to the students is that the process of graduation would equip them to have life-time opportunities to earn. It is generally believed that skills required for gainful employment in the factor markets are transferable through systematic instruction. It is hoped that the students who have undergone the training can apply the knowledge gained to the work situations they are recruited for.

At this point, we can slide into the concept of employability briefly; although there are attempts to come to a consensus meaning as to what it really means to the recruits and the student community. The simple fact remains that organisation have the tasks to carry out and there are employees to really execute them in the realms of statutes and the rules of the organisation itself. As linear thinking would suggest it's a clear case of quantum merit i.e. selecting the best/ deserving person for the job. This thinking influenced by the notion that job seekers, if they can exhibit and demonstrate the requisite skills then they stand the best chance to selected. But, given the real world the recruiting is never linear it always has the hues, such as, biases due to the recruiter and the held beliefs in the industry etc. The other important reasons why employability is not linear are the macro-economic factors. Even in a mild expansionary phase the recruiters may tend to lenient on candidates. There is a tendency to insulate for attritions. The other important point is the mobility of the candidates. The cardinal question is can the job-seeking candidates really move to the locations where the jobs are available without causing much personal and lifestyles disruptions. The job should also make sense to the candidate economically. At this juncture it is also critical to deal with the dilemma of the Baccalaureate Masters and higher academic awards in the recruiting domain. The higher academic degrees have to explain the differentiator over the lower degrees and diploma that affect the choices of recruiters and students.

This study, therefore builds a platform for future studies of employability and employment especially of students with HR as a specialization and the radical changes occurring in HR ergo shaping the future of HR.

# **PERSONS WITH DISABILITY AT WORKPLACE: DISCOURSE AND PERSPECTIVE**

**Priya Jaiswal<sup>1</sup>,** Research Scholar, Dept. of Management Studies  
**Dr. Jaya Srivastava<sup>2</sup>,** Associate Professor, Dept. of Management Studies, Rajiv Gandhi  
Institute of Petroleum Technology, Jais, Amethi  
Email: pm17005@rgipt.ac.in, [jsrivastava@rgipt.ac.in](mailto:jsrivastava@rgipt.ac.in)

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## **ABSTRACT**

**W**ork force diversity is a term often emphasized in the era of globalization and a great deal of research has focused over it. The scope and focus of the research are very broad. The idea of having many people from different caste, religion, origin, race, gender, different abilities at workplaces not only make them more creative and open to change but it also provides a greater opportunity for success. The growing importance of work force diversity has made it an imperative issue for management. Diversity at work place can offer better solutions to business challenges now days. The condition of being different or varied is highly treasured and is in demand all over the world to encounter the high range of consumer needs. Diversity is a tool that can be used for business's progression and high return. The world of globalization considers a boundary less organization where diversity is appreciated and respected. Moreover diversity at workplace reflects diversity of talent, it indicates an infinite diversity of possibilities. Diversity at work place ensures that workers are able to handle various types and intensity of workloads at any point of time. Diversity has much to do in the current times at workplaces and it is the right time to create a new set of paradigms, by inclusion of the most underutilized section of the society that is inclusion of person with disabilities at work places. Utilizing their ability should be a key part of an inclusive approach.

Diversity is a key to success in today's business industry, it has several dimensions such as race, gender, age, religion, nationality but persons with disability are the most untouched one in the terms of inclusion in work force. It is important to change their world but not as a charity, but by offering equal opportunities to them. The employment of persons with

disability is a concern for employer, policy makers and above all for the government all over the world now days as the unemployment rates of this section of society are very high, even though they contribute to a significant section of our population. They are marginalized with respect to employment prospects. Approximately 15 % of the world population is suffering from some kind of disability and the number continues to increase because of aging population and increase in chronic health disease. This overlooked and underutilized section is an untapped human resource. There is no denying that disability affects HR judgments such as hiring, performance evaluation and expectations etc. The decision of hiring person with disability basically rests on company's beliefs and norms. For the inclusion of person with disability in work places it is very important for employer to believe in them. They may perceive it as a problem thus limiting access of person with disability at work place or with a positive attitude the employers may find them as loyal, hardworking, low on absenteeism rates, long in tenures and much more than that. It is worth to consider and valid to believe that every individual is unique and is capable to bring something different to his/her organization. According to the International Labour Organization's report on person with disability (2011) 73.6% of people suffering from disability (any type of disability) in India are still out of the labour force. Their entrance to labour market is not at all relaxed.

Although the employment of person with disability supports the holistic vision on sustainable development, but hiring and retaining this section of labour force is not that easy and ranks really low on the priority list of the employer. Employers today need and they focus on work force diversity but their diversity basically includes only the dimensions of race, ethnicity, and gender, disability is often not mentioned in their list. Employers doubt their abilities, their skills, their knowledge, their fulfillment of physical demands of jobs, and more prominently the main concern of the employer is associated with cost of hiring and retaining persons with disability. No doubt their employment demands an extra effort, but an extra effort which gives high returns must always be welcomed. Their overall performances and outcomes when analyzed make their hiring cost negligible. It is just a myth that their employment cost is very high, but they do give an added advantage to the organizations they are employed. A company that embraces diversity becomes more competitive and innovative. There is no denying the fact that

person suffering from any type of disability experience their disability as something that sets them apart from others and often has negative impression on their lives, but the impact of disability also rests on the environment and attitude of people around them. The equal employment opportunity is very essential it can be achieved by making a barrier-free recruitment process, appropriate and reasonable adjustment and an encouraging management. There are certain and several benefits in hiring persons with disability, they are reliable, productive, affordable and good for business. In this exceedingly competitive world it is the right time to expand the talent pool and it is very indispensable to increase the loyal workforce. When people with diverse experience work together they over and over again come up with more creative ideas because they have a better understanding of a large customer base.

The disadvantages are not very hard to overcome, but the advantages are certainly many. Just because a person is disabled doesn't make him less talented. We must not convey forward our thought that disability makes any individual less capable in performing a task, rather we must consider them as people with different abilities. In our daily life we come across many people who have work hard to overcome their disabilities. This diverse section is willing and do have a right to work, to have a job, get their salary live a dignified life by taking care of themselves and their family. They have their own self- esteem and pride and we must respect them. It is the accurate times to believe and admit that person with disability are as capable as anyone else with no disability. Hiring and retaining them will be a triple 'win' solution, a win is for person with disability, second win is for employer and another is for the society.

**Key Words:** Diversity at the workplace; Competitive advantage; Globalization; Person with Disability; Employment; Work force diversity.

## INTRODUCTION

Globalization has led the business and organizations to develop and operate on an international scale. Diversity at the workplace means a variety of people from different origins, culture, region, gender, race, age, abilities working together at a common place. Globalization has increased the demand for greater interaction and integration among

people from diverse beliefs, abilities, cultures and background than ever before. Diverse workforce inevitably improves business performance (**Jayne & Dipboye, 2004**). *Malcolm Forbes* defines diversity as the art of thinking independently together. Diversity at the workplace provides resilience to an organization. (**Gupta, 2013**) in her paper says that organizations which are able to embrace and encourage workforce diversity will surely be a success. The diverse groups accomplish goals in a better way and they have greater value than the homogenous groups (**Thomas, 2010**). Organizations accept as true that diversity is a business imperative and good for the bottom-line. Organizations today need to celebrate diversity. The diverse workforce with their wide-ranging ideas, when put together, makes an organization more creative and open to change. It is essential to change today, as success today rests on changes and differences. Increasing and improving workplace diversity has now become an important issue for management, diversity inclusion must be used as a tool for success or else it would lead to the downfall of business (**Dike, 2013**). Organizations that signify the importance of diversity will be cultivating success for sure and only they have a future in this vibrant labour market. People are not always self-sufficient in achieving the target, they depend on others to do so (**Kulkarni, 2012**). Organizations today recognize the significance of diversity and are spending rather investing billions on diversity training and in return diversity helps organizations perform better. It is crucial as well as critical to embrace all employees under the umbrella of diversity. To aid diversity in an organization, the organization's focus should shift from management and control to opportunity and possibility (**Shore et al., 2009**). It is a more positive and proactive stance. Organizations are organizing programs designed to attract and retain a diverse workforce only after they realized the value of sustaining diversity. Diversity inclusion extends the scope by including a much larger and wide-ranging pool of individual differences. The identification and retention of this diversity is more challenging and demanding. But when done correctly and carefully results are just surprising and par excellence. One cannot imitate a man/woman, their skill cannot be replicated. They are all exclusive, and business today needs to respect this exceptionality. It is trustworthy to believe that every individual is unique and extraordinary in their abilities and it is very essential for an organization to prosper to rear it appropriately. A diverse cluster experience a positive intergroup process like sharing, elaboration of information and hence they

achieve high performance (**Homan, van Knippenberg, Van Kleef, & De Dreu, 2007**). Persons with disability are also a part of this diversity, who are often neglected and denied work. Persons with disability constitute a significant percentage of the population all over the world. Approximately 15 % of the world population is suffering from some kind of disability and the number continues to increase because of aging population and increase in chronic health disease. For securing their economic independence it is very essential to leverage the employment of disabled people because with the right opportunity they will also be productive (**Kulkarni & Kote, 2013**). Despite several legislations all around the world and moves toward greater inclusion of disability at the workplace, still, disparities exist with regard to the employment status of persons with and without disability (**Kulkarni, 2016**). The benefits can be observed when both disabled and non-disabled work together to bring change (**Mapley, 2016**). An employer's only motivating factor is to keep his workplace economically viable by maintaining and increasing productivity (**Baril, Shaw, Nicholas, & Loisel, 2005**), and diversity is directly proportional to productivity. Creativity is the product of novel and useful ideas and often the interaction in team foster it, organizations are increasing their diversity in an attempt to claim creativity (**Shin, Kim, Lee, & Bian, 2012**). Just because a person is disabled doesn't make him/her less talented or incapable, there are certain advantages in hiring disabled people. Research reveals the fact that they are loyal, hardworking, low on absenteeism rates, long in tenures and much more than that.

### **Disability at Workplace:**

Diversity is defined as a characteristic of a group which refers to demographic differences among its member in race, ethnicity, gender, social class, religion, nationality, sexual identity or other social identity which is generally marked by prejudice, stigma, and discrimination (**Thomas, 2010**). As per the census 2011, India has 2.21% (26.8 million) of disabled people, and the number tends to increase. The mental and physical illness is one of the leading cause of disability in developing countries (**Dewa & Lin, 2000**). It is thus very essential to assimilate persons with disability in economic activities. It is a scarce resource and it is sure to add value to an organization in which they are employed. The real value of diversity comes from the wide variety of information that the member holds and exchanges

at right time under the right conditions (**Homan et al., 2007**). Acquiring information and practical implementation of the same is not a patent of non-disabled people. Disability is a condition of a person that constrains her/him in doing something ordinarily, but defining disability conceding workplaces and jobs it is associated with lower average pay, pitiable job security, underprivileged training and certainly no participation in decisions making, and to more negative attitudes or almost denial of working opportunity (**Kulkarni & Lengnick-hall, 2014**). Disability itself is a trouble if it is coupled with different kinds of barriers it becomes all more painful and threatening (**Bairagi, 2017**). Persons with disability tend to experience less career success than their counterpart without a disability (**Gopakumar & Kulkarni, 2014**). Persons with disability are often not accepted as a qualified employee. They are more probable to be in part-time careers, transitory non-standard jobs that every so often provides low pay and benefits if any (**Yelin and Trupin 2003**). A concern for the employment is everywhere. **The UN Convention on Rights of Person with Disability (UNCRPD, 2006)**, the first legally binding disability-specific human rights, convention a convention which came into force in a record time,, defines “*Disability as including those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others*” it also emphasis for disabled people’s employment (“**Convention on the Rights of Persons with Disabilities,” 2007**). The ‘*article 19*’ of the convention recognizes the equal right of persons with disability and to live independently. The ‘*article 27*’ talks about ‘work and employment’. The employment should be provided in an environment that is open, inclusive and accessible and promotes their career advancement. The co-workers do not entirely accept employees having a disability and fail to integrate them at workplaces. They get fewer promotions and indicate an inverse relationship between disability and promotion. This overlooked and the underutilized section is an untapped human resource (**Lengnick-hall, Gaunt, & Kulkarni, 2014**). Understanding considering and assessing employees with a disability is vital for any country’s long-term economic growth and stability, and expected labour shortages in the coming years. It is evident from the experience of the employed disabled person that their employment level remains far beneath than those of non-disabled employee (**Yelin and Trupin 2003**). But the past researches support the fact that employee with any type of

disability has a longer tenure on an average than non-disabled workers (**Schur, Kruse, Blasi, & Blanck, 2009**). Their employment demands an extra effort, but an extra effort which gives high returns must always be welcomed.

### **Awareness Raising is Pivotal**

The ultimate aim of an organization is to get a competitive advantage and in order to sustain these advantages it is essential to reveal and discover competencies of its people and it can be done more efficiently and in an enhanced manner by harnessing the talent of people together coming from different background and with different abilities. It is very important to harness diversity and using it for the organizational advantages. Especially when we focus on Persons with Disability at workplaces it's a double responsibility, first, it helps this workforce for achieving a gainful employment and secondly making their condition respectful by discarding the belief of people, in general, that persons with disability are a burden on society. A job applicant with a disability is rated more negatively as compared to applicants without a disability (**Louvet, 2007**). There are a huge number of persons with disabilities who are either unemployed or underemployed (**Lengnick-hall et al., 2014**). The review of the literature indicates that persons with disability face many obstacles in gaining employment opportunity and also face more than a few problems while being in the jobs. The philosophy of meritocracy and non-discrimination should be followed. Both persons with disability and HR managers (organizations on a whole) are responsible for the positive employment of persons with disability (**Kulkarni & Valk, 2010**). On the part of disabled people, it is essential for them to step outside of their fixed identities and explore other aspects of their abilities. And on the part of organizations, it is essential to provide with opportunities and consider them as equal as other non-disabled workers. Role of the employer is very important in addressing disability, their attitude is an important factor in staggering unemployment of persons with disability (**Unger, 2002**). The support itself is a medicine to several problems when staff feels supported in their workplace, they are better equipped to deal with work stresses and challenges (**Mutkins, Brown, & Thorsteinsson, 2011**). For persons with disability, stress can negatively affect the progression of their disability and can lead to serious issues (**Jones, Tanigawa, & WEiss, 2003**). Persons with disability desire to and do have a right to work, to have a job,

get their salary, and live a dignified life by taking care of themselves and their family. They have their own self- esteem and pride and we must respect them Thus it is important to accept them and provide them with equal opportunity.

## **RESEARCH METHODOLOGY**

Since the focus was to outline encouraging facts and obstacles of the employment of disabled people with a small sample size a structured open-ended interview was conducted. All the interviews were conducted in the office of the respondent and lasted for about 25-30 minutes on an average. A purposive and convenience sampling was done and 6 respondents were selected. Only those who suffered from a physical disability and working in the government sector in and around Raebareli and Amethi districts of Uttar Pradesh were approached. All 6 respondents were approached, and all of them agreed to help and thus were interviewed. While interviewing, all respondents denied for a video/audio recording of their response. Few preferred to jot down their responses by themselves. Out of 6, respondent 3 were visually impaired so their responses were written with their agreement. 2 had limb atrophy (e.g., polio) and wrote their responses by themselves. And 1 respondent was deaf and mute and gave the responses in writing. In total 5 questions were asked and focus mainly on encouraging factors at the workplace and also the obstacles they face at their jobs, and their suggestions for the easy entry of disabled people at workplaces. At the end of the interview, each respondent was asked to share any other piece of information they felt was relevant in terms of emerging disabled workforce.

## **FINDINGS**

The review of literature tends to view disability as negative (**Shore et al., 2009**). The review indicates that persons with disability face many obstacles and barriers like employer and fellow employee's negative attitude, discrimination, poor physical infrastructure, low cost of accommodation etc. in gaining employment opportunity and also while being in jobs (**Mann, Maja, Sing, Steyn, & Naidoo, 2011**). The findings of the research support this very assumption. The persons interviewed for the study stand common to the thought

that the mentality of people around them is the biggest stigma, and not their disability. The responses thus recorded are as:

*Respondent One:*

Type of disability: Deaf and mute

Aged: 31 years

Gender: Male

Post: Junior Assistant, Technical Institute, District Amethi, U.P

*Q1- How did you apply for the jobs particularly this one?*

Response- He came to know about jobs through internet and employment news. For his present job, his friend informed him.

*Q2- What is good about your job and the workplace?*

Response- He feels a happy work environment attracts good people, retain them and help them to perform better. He finds his incharge good and supporting. He is fine with his work.

*Q3- What are the obstacles you face here at your workplace?*

Response- Being only deaf in the office he finds difficulty in communicating, though he somehow manages it with written communication. But he wishes to be among the rest, sharing his thoughts and knowing them better. He also says if few people learn the sign language on the campus, he would be more comfortable and will feel more connected.

*Q4- Acknowledging disability as an emerging workforce, what are your suggestions?*

Response- He didn't answer this question, he says he didn't have any idea.

*Q5- What should be done so that people don't consider disability as stigma at the workplace?*

Response- He says a little more acceptance, broad-mindedness, and consideration on the part of society will solve the purpose and improve the work conditions for the disabled.

**Respondent Two:**

Type of disability: Limb Atrophy

Aged: 35 years

Gender: Male

Post: Librarian, District Raebareli, U.P

***Q1- How did you apply for the jobs particularly this one?***

Response- He got the job through secondary education commission, by qualifying written exam and an interview. But the selection was not made under any reserved category.

***Q2- What is good about your job and the workplace?***

Response- As he has limb atrophy so he finds it good that his job doesn't involve any fieldwork. It is very convenient for him.

***Q3- What are the obstacles you face here at your workplace?***

Response- He says people don't behave in a humble manner. People around him believe that he should stay back at home and should not go out and work. People don't respect his abilities but have prejudices for his disabilities. Their behavior is not good.

***Q4- Acknowledging disability as an emerging workforce, what are your suggestions?***

Response- He believes that person should be given jobs with due consideration to their disability, a separate portal for job application should be made. They should be given specialized training and they should be offered job accordingly.

***Q5- What should be done so that people don't consider disability as stigma at the workplace?***

Response- Mentality of a person is a very big huddle in their progress, people don't respect them and don't consider them equal. Their mentality doesn't allow them to let disabled people participate in economic activities. People want them to survive on charity and find it very strange that people with disability can also work.

**Respondent Three:**

Type of disability: Limb Atrophy

Aged: 36

Gender: Male

Post: Junior Assistant, Technical Institute, District Amethi, U.P

***Q1- How did you apply for the jobs particularly this one?***

Response- The respondent earlier worked as an assistant accountant in a PG college. He applied for his current job after seeing the vacancy in a newspaper.

***Q2- What is good about your job and the workplace?***

Response- He says the working atmosphere is good and he gets support from his seniors and his colleagues. He didn't face any problem yet.

***Q3- What are the obstacles you face here at your workplace?***

Response- He is new in this job and didn't face any major problem, the only problem he faced was of mobility. There was no arrangement made from college campus for him to reach office. His problem was solved when he purchased a Scotty.

***Q4- Acknowledging disability as an emerging workforce, what are your suggestions?***

Response- He suggests that there should be a proper facility for disabled people in the workplace with respect to their disabilities. He has a problem in walking and wishes to have a proper transport facility.

*Q5- What should be done so that people don't consider disability as stigma at workplace?*

Response- He says a change in the thinking of people is very much essential until people don't consider them as equal it is very difficult for persons with disability to emerge as a workforce. People only have a feeling of pity for disabled people.

**Respondent Four:**

Type of disability: Blind

Aged: 59 years

Gender: Male

Post: Principal Intermediate College, District Raebareli, U.P

*Q1- How did you apply for the jobs particularly this one?*

Response- A direct recruitment was made for his present job.

*Q2- What is good about your job and the workplace?*

Response- He finds administration very supportive, the staff is very helping and there is ease of mobility. He finds several plus points for his job and is fine with all types of work.

*Q3- What are the obstacles you face here at your workplace?*

Response- Being very experienced he doesn't find any problem in doing his work. His workplace is his comfort zone.

*Q4- Acknowledging disability as an emerging workforce, what are your suggestions?*

Response- Persons with Disability Act 2016 should be implemented properly. If social attitudes of people changes towards persons with disability the results thus obtained will be outstanding.

*Q5- What should be done so that people don't consider disability as stigma at workplace?*

Response- Social cooperation can make huge differences a change in traditional mentality is also required. People should consider them as people with different abilities, not with disabilities.

***Respondent Five:***

Type of disability: limping legs

Aged: 55 years

Gender: female

Post: Clerk, Intermediate College, District Raebareli, U.P

***Q1- How did you apply for the jobs particularly this one?***

Response- The respondent got herself registered in the employment office, and came to know about this vacancy from there only and got this job.

***Q2- What is good about your job and the workplace?***

Response- She is allotted only with table work, she didn't have to move. The timings are fixed and properly set. The staff also supports her, help her in need.

***Q3- What are the obstacles you face here at your workplace?***

Response- She doesn't feel any problem regarding her work and she says the workplace is good to work at.

***Q4- Acknowledging disability as an emerging workforce, what are your suggestions?***

Response- She suggested that there should be an increase in reservation for disabled people so that people with disability are offered more and more jobs. There should be a proper implementation of 'Persons with disability Act 2016'. Systematic mode of application for them should be made, also she says a separate portal will be beneficial for them for job application.

*Q5- What should be done so that people don't consider disability as stigma at the workplace?*

Response- A change in social behavior and mentality will do miracles. The people are reluctant in hiring persons with disability. People should believe in them and their abilities. They also had a life to live with dignity and economic independence. They are able to work everywhere.

*Respondent six:*

Type of disability: Blind

Aged: 53 years

Gender: Male

Post: Peon, Intermediate College, District Raebareli, U.P.

*Q1- How did you apply for the jobs particularly this one?*

Response- The respondent was a member of The National Federation of the blind and got the job through federation only.

*Q2- What is good about your job and the workplace?*

Response- He didn't get any extra facility and is ready to work always. He is fine with outdoors movement also. He has been working since very long and is now comfortable with everything around him. He is ready to work in all condition.

*Q3- What are the obstacles you face here at your workplace?*

Response- He exactly doesn't face any problem. He is very much experienced and accepts the fact that he is blind and is fine with the fact.

*Q4- Acknowledging disability as an emerging workforce, what are your suggestions?*

Response- In response to the above question, he says that unemployed disabled youth should be given chance in all the sectors, and for the same, they should be given proper training. He believes people with disability are quick in learning. New skill should be taught to them. They must be trained in the modern work culture and should be made a part of it.

*Q5- What should be done so that people don't consider disability as stigma at the workplace?*

Response- The bizarre mentality of the people restricts persons with disability to grow, and to succeed.

## **DISCUSSION AND CONCLUSIONS**

Having a well-managed diverse workforce is useful for the achievement of organizational goals. Today competition is coming from every corner and for this reason, organizations need diversity to become more creative and open to change. Diversity is a recognized organizational resource today. Persons with disability are also a crucial part of the emerging diverse workforce. But employers and employee don't trust them but doubt their abilities thus limiting their admission to the workplace and hence they are the untapped and unused labour force. Research shows that the persons with disability are marginalized in terms of employment, but simultaneously researches from all over the world also says that there are several benefits and importance of hiring people with disability like they are very loyal, hardworking, low on absenteeism rates, long in tenures, less complaining, less demanding, more satisfied. The present study explored what are the common problems faced by disabled people at the workplace, what are the good things about their jobs that helps them in easy going. The findings indicate that whenever the opportunity is given to them, they do full justification with the jobs assigned to them. The study also reveals that they don't complain much but only wants an equal treatment and some respect from others. On the part of employers, the present study suggest that a small initiative like training non-disabled people with sign language where deaf and mute people work will help both disabled and non-disabled worker to communicate in a better way. It would not do any harm but will certainly yield better results. Giving mobility facility in the offices will help

persons with limb atrophy. On the part of government, the study suggest for making a separate portal for their application, organizing training, skill development programs with special consideration to disabilities. Allotting the work with consideration of the type of disability will also be beneficial. These small things when done will help both employers and disabled worker to gain and perform jobs in a improved way. Removing the above-stated barriers will increase option and will assure success. But all they want right now is the employment opportunity. Disability inclusion is the need of the hour. The findings of the study stand true to the fact that people with disabilities are hard-working and it is the only thing that helps organizations in the long run. People must understand disability rather criticizing it. It is the right time to believe in them and in their abilities and admit that they are as capable as anyone else. It is believed that, the employers, company HR managers, business networks, the government will find inspiration and insight from the present study. Encouraging disability diversity at the workplace is very essential in the contemporary times. It is important to change their world but not as a charity, but by offering equal opportunities to them. Hiring and retaining them is also a social responsibility of the society, employer, and government as it will provide a triple ‘win’ solution; the greatest win will be for persons with disability second win will be for the employer and another win will be for the society.

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# **HUMAN RESOURCE ANALYTICS**

## **THE CHANGE CATALYST FOR ENHANCING DECISION MAKING AND EFFICIENCY WITH REFERENCE TO INDIAN IT INDUSTRY**

**Prof. V. Krishnamohan<sup>1</sup>**

Dept of Commerce & Management Studies  
Andhra University, Visakhapatnam (AP), India-530003

**Dr. JasmineBhuyan<sup>w</sup>**

Assistant professor  
Sri Sri University, Cuttack, Orissa, India  
[Jasminebhuyan00@gmail.com](mailto:Jasminebhuyan00@gmail.com)

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### **ABSTRACT**

This paper explores what role human resource (HR) analytics plays in organizational efficiency and how well will be comprehended in a central analytics function, surpassing individual HR functions for sustainable performance. In recent days there is a trend towards data-driven decision across myriad business areas and HR is not an exception. As human capital has been an ever knowing important element in determining organizational effectiveness. The focus of this study is to explore the relationship between HR analytics practices and power of decision making and organizational efficiency. Using a sample of 214 practitioners of HR analytics of Indian IT organizations, the authors investigated what is the function, significance and configuration, of HR analytics and its contribution to organizational efficiency. In this study pre-established questionnaire was adopted to collect responses related to the study constructs. All the three scales were enumerated in five point Likert scale. Further, we applied structural equation modelling (SEM) technique using SPSS 20 and AMOS 24 software to examine the proposed relationships the findings suggest that, HR analytics is having a tremendous scope acting as a change catalyst in improving business efficiency, and perceived as a more methodological data driven decision making.

**Keywords:** HR Analytics, Sustainable Performance, Data-driven Decision-making, Organizational Efficiency

## INTRODUCTION

HR analytics are in the embryonic stage and having hidden potential to enhance multidisciplinary growth of every organization in using data for better decision making, as reflected in the rapid growth of data science. As another example of the guarantee of HR analytics when it comes to improving organizational outcomes, some have shown that when looking at large, publicly-traded companies, executive leaders often attribute the data-driven decisions made by its HR analytics team to business success, although such companies do not openly share the direct return on investment as a result of its people decisions (Davenport et al., 2007; Sullivan, 2013)

The term “HR analytics” has different meanings to different people (Bassi, 2011, p. 15). In a recent article, HRA is defined as “the systematic identification and quantification of the people drivers of business outcomes, with the purpose to make better decisions” (van den Heuvel `in a systematic way to make better business decisions. HRA is currently one of the biggest buzzword in the field of human resource management. Commenting on the phenomenon of HRA, it is noted that there is a lot of hype and buzz, and that it is generally seen as something organizations “must have” (Platanou & Mäkelä, 2016; van den Heuvel & Bondarouk, 2016). However, despite the entire buzz, academics have largely been absent from the debate and have only to a very limited extent examined the HRA phenomenon (van den Heuvel, 2016; van den Heuvel & Bondarouk, 2016).

This paper explores what role human resource (HR) analytics plays in organizational efficiency and how well be comprehended in a central analytics function, surpassing individual HR functions for sustainable performance. In recent days there is a trend towards data-driven decision across myriad business areas and HR is not an exception. As human capital is an ever knowing important element in determining organizational effectiveness. It can play a key role in developing a highly valued part of an organization. Falleta (2014) conducted a survey to determine the use of HR analytics across Fortune 1000 firms with a sample of 220 firms, Falleta (2014) reported that only 15% of

respondents claimed HR analytics played a central role in determining or implementing HR strategy. Furthermore, HR analytics primarily consisted only of analyzing employee survey data.

Lawler et al. (2004) and Lawler and Boudreau (2015) reported results of a survey of over 100 Fortune 500 companies suggesting less than a third of these companies have HR analytics that measures the relationship between HRM processes and people and business impact. The present paper in this context investigates the scope of HR analytics and role as a change catalyst that is quintessential for better decision making and increasing efficiency of the organization.

## **RESEARCH PROBLEM AND STUDY OBJECTIVE**

The objective of this study is to explore the relationship between HR analytics practices and power of decision making and organizational efficiency. Through data analytics, the goal is to transform huge complex bundle of data into knowledge and, in this way, help the decision-making process of retaining human capital by helping to make more accurate and data-driven decisions and also to make a forecast about the future, not just describe the past (Rasmussen & Ulrich, 2015). According to Rasmussen & Ulrich (2015), HR analytics is supporting value creation and the business strategy is quite slim and many organizations are still at the embryonic stages of HR analytics (Roberts, 2013). However, there also can be found some examples to the converse. Companies like Google and IBM have already taken superior steps to get a head start in the area of analytics. Still, these are just a few examples and more research is still needed relating HR analytics practices which may likely to have a positive impact on the power of decision making and organizational efficiency in the context of Indian IT industries.

## **LITERATURE REVIEW**

The key objective of this literature review is to provide a comprehensive overview of the academic literature about HR analytics and data-driven HRM as well as describe the way these two concepts link together on the basis of the academic studies. Many successful companies such as Google, Facebook, and Apple are able to measure and evaluate the

effects of hr analytics practices and, in turn, make data-driven decisions to justify their returns on business performance. Human resource (HR) analytics refers to the practice of using data to support decisions pertaining to HR systems, policies, and practices.

The need for a cultural shift in the HR community is also stressed by Pease (2015). Managers should accept that HRA is possible, and it can be relied upon: this could be achieved by gradually showing the power of analyses to match existing mental models, and by education and training, seen as good ways to increase acceptance and usage (Cascio & Boudreau 2010). Only a minority of companies currently reports usage of HRA (Deloitte, 2015; 2016; 2017); on the other hand, organisations are seen as more ready to introduce and utilise HRA, as compared to the past: new specialist staff is recruited, HRA offerings are purchased and efforts to increase data quality are put in place (Deloitte, 2016). MNCs worldwide are lifting HRA higher up in their agenda, spreading it to more HR practices than before: previously performed in small technical groups in specific HR areas, HRA usage is becoming more systematic (Deloitte, 2017).

In a world where top management often looks to the figures before making decisions, HR analytics represents a growing trend amongst the management field (Pfau & Cohen, 2003; Rasmussen & Ulrich, 2014), as the practice offers a useful framework and set of tools for measuring and evaluating the efficacy of HR systems, programs, and interventions. For instance, senior leaders who are paying close attention to the rise of big data and its impact on the field of human resources have potential to advance their organizations' productivity and profitability by up to 6% higher than their peers (Barton & Court, 2012).

According to Mondore, Douttitt & Carson (2011), there are significant differences between those talent metrics that organizations consider important and the data to which they have access. A legacy of disparate technology systems and a focus on measuring efficiency rather than effectiveness are the primary reasons for the lack of recent analytics and talent intelligence among many businesses. There was a growing need for more efficient and effective ways to process employee information. The computer technology was evolving as well, improving the product functionality while lowering the prices. In the 1980s, the first standalone software packages, referred to as human resource information systems (HRIS),

were developed (e.g. Hendrickson, 2003; Stone & Dulebohn, 2013). These systems allowed organisations to collect, stock and utilize data to support HRM and facilitate HRM functions, for example recruiting, training and development, although human resource professional were dependent on IT experts on the use of these HRIS systems (Stone & Dulebohn, 2013).

Bigger change was seen in 1980 (e.g. Schuler & Jackson, 2005; Guest, 2011). The role of HR began to change and HR was seen more as a part of the core business that could have an effect on the efficiency and effectiveness of organisations (Ferris et al., 2007). In order to achieve this, human resources needed to be managed more systematically and also the capabilities and competencies of HR professionals needed to be developed (Schuler & Jackson, 2005).

HR analytics is additional mechanism apart from collecting data and conducting analyses; it can be used as an advance to quantify the effects of HR initiatives, influence executive decision, and enable cross-functional interface amongst departments (Bates, 2003; Chadwick, Super & Kwon, 2015; Mondore et al., 2011). HR analytics is a generally new articulation and mirrors a multidisciplinary drift toward utilizing information to rely on data centric decision. As needs be, for a few organizations, the ascent of HR analytics has brought about a reshaping of a current capacity, though in different sectors, an altogether new capacity was presented.

Information theory (e.g., Blackwell, 1953) and the information-processing view of organizations (e.g. Galbraith 1974) suggests that more precise and accurate information should

Facilitate greater use of information in decision making and therefore lead to higher firm performance. There is a growing volume of case evidence that this relationship is indeed true, at least in specific situations (e.g., Davenport and Harris 2007; Ayres 2008; Loveman 2003). Loveman (2003), the CEO of Caesar's Entertainment, states that use of databases and decision science- based analytical tools are the key to his firm's success.

Davenport and Harris (2007) have listed many firms in a variety of industries that gained competitive advantage through the use of data and analytical tools for decision making such as Proctor and Gamble and JC Penney. They also show a correlation between higher levels of analytics use and 5-year compound annual growth rate from their survey of various organizations. A more recent study (Lavalle et al. 2010) has reported that organizations using business information and analytics to set apart themselves within their industry are twice as likely to be top performers as lower performers

In spite of the unavoidable need of HR analytics and the evidence-based review about the role that HR analytics can be incorporated into the effectiveness of the organization, relatively few empirical studies have directly investigated whether companies with a defined HR analytics function enhances the power of data-driven decision making which in turn improves organizational efficiency. There is scarcity in the literature, and more research is needed to identify with how HR analytics is adopted across organizations and under what situation a well-defined HR analytics function contributes to an organization's sustainable performance and efficiency. Empirical research on HR analytics is inadequate, and studies on function, significance and configuration in HR analytics are limited. This research focuses on to have a say to a better understanding of the development of HR analytics, to facilitate business and gain sustainable performance by enhancing power of data driven decision making which in turn leads to organizational efficiency.

A research framework has been proposed based on the previous theoretical underpinnings. Prior literature was retraced to find out the linkages among study constructs and several hypotheses were formulated.

H1: Data driven decision making positively relates to improving organizational efficiency

H2: Adaptations of HR analytics significantly influence power of decision making.

H3: Increased use of HR analytics positively relates to the organizational efficiency

H4: HR analytics practices mediate the relationship between decision making and efficiency of the organization

## **DESIGN/METHODOLOGY/APPROACH**

Using a sample of 25 practitioners of HR analytics of Indian IT organizations, the authors investigated what is the function, significance and configuration, of HR analytics and its contribution to organizational efficiency.

In this study pre-established questionnaire were adopted to collect responses related to the study constructs. All the three scales were enumerated in five point likert scale. Further, we applied structural equation modelling (SEM) technique using SPSS 20 and AMOS 20 software to examine the proposed relationships. First, exploratory factor analysis (EFA) was conducted to extract the factors (Hair *et al*, 2010). After that reliability and validity was examined. Confirmatory factor analysis (CFA) was done using maximum likelihood technique (MLE) on all the extracted factors (Brown, 2006) to assess the measurement model fit. Further, path analysis was conducted to examine the hypotheses and model specification using structural equation modelling (SEM) technique comprised of two-stage model building approach (Anderson and Gerbing's, 1988; Joreskog, 1993).PROCESS macro was used to analyse the proposed mediation linkages. Further, study results were presented to elucidate the research findings.

### **Data analysis**

To ensure that measures are free from the error and therefore yields consistent results, during the process of purifying of constructs, reliability of questionnaires have to be measured (Peterson, 1994). Furthermore, in order to validate reinforcement of the scales by data, exploratory factor analysis (EFA) was conducted. Based on EFA, indicators of Kaiser-Mayer-Olkin (KMO) for all questionnaires were greater than 60% that endorsed (Kaiser, 1974). Based on results of test of Bartlett of Sphericity for total variables shows that correlation indicator between items is greater than 30% and was appropriate for exploratory factor analysis (Hair, 2009). According to analysis of responses amount of sum up variance among constructs was greater than 0.60 (Hair, 2009).

## Cronbach's $\alpha$ Value of the Instruments

**Table 1**

Variables	Number of Items	Cronbach's $\alpha$	KMO	Bartlett's test Sphericity	Variance Explained
HRA	10	0.921	0.876	0.000	67.062
DDM	12	0.875	0.754	0.001	65.606
OE	8	0.812	0.813	0.000	66.033

### *Validation of the Measurement Model*

The SEM process contains two phases: validation of measurement model and fitness of structural model. The validation of the measurement model, as the first phase of SEM process, was done principally via Confirmatory Factor Analysis (CFA), after that the test of fitness of structural model was done mainly by path analysis of latent variables. By measurement model researcher can examine the reliability of observed variables. Observed variable measures the unobserved one. A weak or strong fitness of the data is presented by measurement model, as well as the unreliability of observed variables.

### *Reliability Measurement (Construct-Level)*

The reliability of construct-level ensures items that assigned to similar variables disclosed higher relationship with each other. Despite the fact, former reliability items calculated in individual-level was sufficient enough. As respects it is recommended observing reliability of constructs measured jointed by a group of items in the same construct (Bagozzi, 1984). In the present research, reliability of constructs level was examined using

### *Measuring the Convergent Validity*

In general, the validity determines that to what extent a group of measurement item signifies the concepts of the proposed conceptual framework (Hair *et al.*, 2012). Specially, convergent validity clarifies the correlations among answerers achieved by different ways

signify the same constructs (Niedergassel, 2011). Convergent validity in this study was examined by AVE (average variance extracted). Table 2 presents the AVE that adapted for each construct, was greater than defined amount 0.5 (Fornell and Larcker, 1981).

**Table 2:** Measuring the Convergent Validity

Variables	AVE	Cronbach's $\alpha$	Composite reliability
HRA	0.567	0.911	0.906
DDM	0.574	0.876	0.894
OE	0.532	0.815	0.813

#### *Measuring the Discriminant Validity*

Discriminant validity at construct-level was examined by means of Fornell and Larcker (1981) standard. This indicator at item-level was examined by means of Chin (1998) measures. Fornell and Larcker norm proposes that square-root of the average variance extracted for every variable should be more than another correlation of construct with each other, for instance inter-construct correlation. As shown in Table 3 none of correlation of inter-construct amount is greater than square-root of AVE. Chin (1998) recommended examining the cross loading inside factor loading at item level discriminant validity.

**Table 3:** Results of Discriminant Validity

	HRA	DDM	OE
HRA	0.767		
DDM	0.574	0.776	
OE	0.232	0.215	0.713

### **Hypothesis testing**

The SEM model was employed to examine the relationship between constructs developed by study. Hence SEM analysis was performed by AMOS 24 version and analyses simultaneously goodness-of-fit indices.

**Table 3. Model Fit.**

<b>Goodness of fit indices</b>	<b>Constructs</b>
<b><math>\chi^2</math>/degree of freedom</b>	2.146
<b>CFI (comparative fit index)</b>	0.975
<b>TLT (Tusker–Lewis fit index)</b>	0.943
<b>IFI (incremental fit index)</b>	0.984
<b>RMSEA (root mean square error)</b>	0.24
<b>GFI (goodness fit index)</b>	0.930
<b>SRMR (root mean square residual)</b>	0.45

Table 4 shows all path were significant. The relationship between DM  $\rightarrow$  OE was the first hypothesis. The results indicated that DM and OE are related positively and significantly ( $\beta = 0.335$ ;  $t = 7.760$ ) it implies DM has direct effect on OE. The second hypothesis expressed the relationship between HRA  $\rightarrow$  DM. The results of the hypothesis recognized a significant and positive relationship between to constructs ( $\beta = 0.790$ ;  $t = 27.133$ ). The third hypothesis suggests that the relationship between HRA  $\rightarrow$  OE. The results of the hypothesis publicized a positive and significant relationship between HR analytics and organizational effectiveness ( $\beta = 0.651$  and  $t = 16.467$ ).

## Test of the Total Effects Using Bootstrapping

**Table 4**

	<b>Original sample</b>	<b>Std. Error</b>	<b>T-statistics</b>	<b>P value</b>
DM -> OE	0.335	0.043	7.760	0.0010
HRA -> DM	0.790	0.029	27.133	0.0002
HRA-> OE	0.651	0.040	16.467	0.0102

### *Mediation Effect of HRA on the relationship between DM and OE*

To examine the mediating effect of the HRA on the relationship between a DDM and OE Baron and Kenny criterions was exercised as below: Table 4 indicated that requirements regarding mediation specified by Baron and Kenny have been achieved. Firstly, DDM is directly, significantly and positively related to OE. ( $\beta=0.823$  and  $t=62.123$ ). Second, HRA is directly, significantly and positively related to DM ( $\beta=0.815$  and  $t=34.016$ ). Third, HRA is directly, significantly and positively with OE ( $\beta=0.853$  and  $t= 63.127$ ). Finally, the absolute effect DM on OE is reduced from 0.823 to 0.334 When the mediating variable is introduced. These consequences show that the relationship between DM and OE is mediated by HRA. Second, because of being a relationship between ['dependent and independent variables decreased to significant level (from 0.823 to 0.334), partial type of mediation was also recorded.

### Standardized Coefficient of DM on OE

### The Mediating Effects of HRA on the Relationship between OE and DM

**Table 4a**

				DM-> OE Mediated by HRA		
	<b>DM-&gt; OE</b>	<b>HRA-&gt; DM</b>	<b>HRA-&gt;OE</b>	DM-> OE	HRA-> DM	HRA->OE
Beta	0.823	0.815	0.853	0.334	0.786	0.653
SE	0.013	0.0265	0.012	0.043	0.025	0.042
t-value	62.123	34.061	63.127	7.734	2.134	15.465

Type of mediation: Partial

Standardized Coefficient of DM on OE

### **FINDINGS OF THE STUDY**

The development of HR analytics will be characterized by the synergy effect of technological advancement in tapping complex task of analyzing potential human capital.

The findings suggest that, HR analytics is having a tremendous scope acting as a change catalyst in improving business efficiency, and perceived as a more methodological data driven decision making. Furthermore, the development of HR analytics will be characterized by the synergy effect of technological advancement in tapping complex task of analyzing potential human capital. The HR function is lagging behind other functional areas of management in the adoption of analytics technology and in the analysis of big data. Many in the HR profession do not understand analytics or big data, while analytics teams do not understand HR. As a result, the expensive analytics capabilities provided by the latest forms of HR metrices are failing to deliver strategic HR analytics to the fuller extent. The results of continuous upgradation may then be used to update HR practice and to develop meaningful day-to-day metrics, measures and

dashboards within conventional analytics packages. Academics could play a constructive role in these developments, but could also do more to elucidate the praxis of strategic HR analytics.

### **PRACTICAL IMPLICATIONS**

The consequences of the exploration infer that HR analytics is need of any organization to maintain and it require significantly more clearness and agreement to utilize its potentiality. HR analytics can surely upgrade the believability of the capacity and the calling by enhancing the adequacy of HR arrangements and practices and adding to the upper hand of associations that create it as a center competency. The outcomes have common sense ramifications for associations. HRA have turned into a fundamental piece of modern people management all through the world. The role of HRA approved in the investigation has been observed to be critical for enhancing the efficiency of the organizations. Second, the study recommends associations may present particular and centered preparing project to improve representative abilities to utilize HR analytics, building aptitude in them, which will give winning association's focused edge. In conclusion, the present study recommends that appropriate adjustment of HR analytics may arrange such that an individual meet execution desires through better information driven decision making, which will upgrade organizational effectiveness.

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# INNOVATION & NEW PRODUCT DEVELOPMENT

**Saumya Shukla**, Assistant Professor  
School Of Design, Pearl Academy, Noida  
Email: [sauyma.shukla@pearlacademy.com](mailto:sauyma.shukla@pearlacademy.com)

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## ABSTRACT

**G**reen is in fashion but still hasn't reached the masses! Why? Sustainable Products are the need of an hour. Who does not want a healthy environment in which to live and work while contributing to the wellbeing of the planet and its future generations? Nature is the precious source of life. As such, living and engaging with nature should be treated as a privilege. Green marketing strategy will play a vital role in reaching the sustainable future goals.

*"We do not inherit the Earth from our ancestors; we borrow it from our children"* –by Navajo Prover

Interior Designers are resourceful beings; they are information gathering, solution seeking, innovative creatures and these are ideal characteristics for promoting healthy, high performing sustainable design .If we are resolute in our belief that each positive action makes a difference, our contribution to a healthy planet is guaranteed. It is necessary to take informed decision about the material selection based on full life cycle and health related criteria.

We are living in a world with limited natural resources that are being squandered. By committing to environmental responsibility and viewing their practice through an environmental filter, credible organizations have dedicated themselves to making positive difference. Innovative Sustainable Products should be encouraged with either of these qualities reused materials, recycled materials and rapidly Renewable material. Designers must always specify products that meet or exceed energy star requirement. Look for durable, easy to maintain products that conserves energy and water, are designed for disassembly and come with long term warranties.

*“A nation that destroys its soils destroys itself. Forests are the lungs of our land, purifying the air and giving fresh strength to our people* “—by Franklin Roosevelt.

Design and health: play an active role in improving human health and wellness through the design of the built environment. UGBC and LEED are working to promote buildings that are environmentally responsible, profitable, healthy place to live and work. Marketing Sustainable products is very necessary, for the betterment of the environment and for future generations. What should be the green marketing strategy for leading firms? Mainly – Conventional Budget, Performance, Innovation, Should be Beyond Green & Regenerative Buildings. Promote design that adapts to changing conditions and that maintains or regains functionality and vitality in the face of natural and man-made disturbances.

Greener training program, work together to design ecologically oriented architecture and interior that celebrates your region’s vernacular. Your commitment to sustainability, critical thinking skills, foundation of knowledge, research strategies and technological savvy will enable you to market yourself and meet the sustainability needs of your future clients.

By incorporating designs that reduce waste and by using products that are environmental friendly, your work will begin to show the results and benefits of ecologically appropriate design solutions. Take on the responsibility of green design leadership and embrace the societal need for safer materials and your design solutions will contribute to sustainable future.

As interior designers, we bring to fruition the interface between people and building; we play a vital role in creating quality indoor environments. Or focus on healthy, sustainable design solution .If you mention health benefits to potential clients, they will almost express interest in hearing more. Who does not want a healthy, eco-friendly home for their family and future generations, one that saves energy and uses resources responsibly? This will encourage discussion about the client’s wants and needs and reframe his or her thinking regarding return and investment. Authenticity is imperative in marketing your services; it preserves the integrity of the design industry and honors firms who invest in sustainability through education, by achieving professional designation and by meeting testing protocols.

Represent your abilities credibly and avoid green washing or making false claims about being environmentally responsible solely to bolster your brand rather than by the honest practice of sustainable design.

Innovation is a key component to any thriving design practice. Client hires you for your unique vision, so identify and communicate your originality in your marketing tools and messaging. Green concept-such as energy efficiency, improved indoor air quality, environmentally preferred products, higher durability and lower maintenance materials and resource conservation-while easy to describe, do not necessarily address all your clients need. Assemble a story linking these concepts with the core values and needs of your target market. Your greatest resource for building a sustaining business practice is success with Innovation .Your creativity is your value, in particular when the home integrates healthy and environmentally responsible solutions.

One should consider following strategies to grow a firm, embracing sustainability as a score value and demonstrating how it permeates each level:

1. Be the green expert in your region
2. Commit to improving indoor air quality on all projects
3. Develop a cost competitive approach
4. Consider giving a discount to truly green client

Incorporate sustainable solutions in your standard design procedures so that the client need not pay higher fees for sustainable design. Keeping operational cost low gives a firm pricing flexibility. Budget are tight the ability to compete on price is essential. A firm that is good at managing the process of integrated design is able to design a green home at the same fees as a conventional project. Lowering cost might be even more important than branding for competing in the market place .Energy cost saving, health of the planet, healthier environment.

We need more people like Sustainable designer and Architect William Mc Donough & Michael Braungart .There firm MBDC focus on, Stop the accepted ways of the industrial

works and building industry? No they are saying that we can transform industry with cradle to cradle design, the paradigm on which their firm. MBDC- models human industry on natural processes, creating safe and healthy prosperity. Instead of designing cradle to grave products that are dumped in landfills at the end of their life, MBDC transforms industry by creating products for cradle to cradle cycles whose materials are circulated perpetually in closed loops. Maintaining materials in closed loops maximizes material value without damaging ecosystem.

*“It’s not about what it is, it’s about what it can become”*-Dr.Seuss,The Lorax

Designers have a responsibility to educate clients about the need to build responsibly. Meet the needs of your client by understanding their personal values and principles. Tell them that sustainable design fundamentally makes better building by improving performances, saving money and improving health.

Our health is inextricably connected to the home environment we create; what we design, specify and provide for our client matters. Unfortunately studies indicate that there has been steady increase in respiratory conditions from asthma to allergies to a variety of illness that link health concerns directly to the indoor environmental quality of a home. The indoor finishes, furnishings materials and products used to build homes are polluting their indoor air. According to WHO there are many potentially hazardous compounds released indoor due to combustion, emission from building materials, household equipment's and consumer products.

The entire focus of the paper is to discover better Green marketing strategy to achieve the sustainable future goals for the wellbeing of the planet.

## INTRODUCTION

Green is in fashion but still hasn't reached the masses! Why? Sustainable Products are the need of an hour. Who does not want a healthy environment in which to live and work while contributing to the wellbeing of the planet and its future generations? Nature is the precious

source of life. As such, living and engaging with nature should be treated as a privilege. Green marketing strategy will play a vital role in reaching the sustainable future goals.

*“We do not inherit the Earth from our ancestors; we borrow it from our children”* –by Navajo Prover

The purpose of this paper is to introduce scholars, students, and professionals in all fields to Cradle to cradle Products /biomimicry and to its potential to yield sustainability, which is the urgent need for us to use the Earth’s resources in ways that will allow human beings and other species to continue to exist acceptably on Earth in the future. If this problem is not overcome, there may be no viable world for our descendants to inhabit, because this threat is caused by human population growth, overconsumption, and lack of resource conservation. And in order to discover better Green marketing strategy and achieve the sustainable future goals for the wellbeing of the planet.

We are living in a world with limited natural resources that are being squandered. By committing to environmental responsibility and viewing their practice through an environmental filter, credible organizations have dedicated themselves to making positive difference. Innovative Sustainable Products should be encouraged with either of these qualities reused materials, recycled materials and rapidly Renewable material. Designers must always specify products that meet or exceed energy star requirement. Look for durable, easy to maintain products that conserves energy and water, are designed for disassembly and come with long term warranties.

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Buildings. Promote design that adapts to changing conditions and that maintains or regains functionality and vitality in the face of natural and man-made disturbances.

Greener training program, work together to design ecologically oriented architecture and interior that celebrates your region's vernacular. Your commitment to sustainability, critical thinking skills, foundation of knowledge, research strategies and technological savvy will enable you to market yourself and meet the sustainability needs of your future clients.

By incorporating designs that reduce waste and by using products that are environmental friendly, your work will begin to show the results and benefits of ecologically appropriate design solutions. Take on the responsibility of green design leadership and embrace the societal need for safer materials and your design solutions will contribute to sustainable future.

### **What is Biomimicry?**

Biomimicry involves learning from and emulating biological forms, processes, and ecosystems tested by the environment and refined through evolution.<sup>4</sup> Biomimicry can be applied to solve

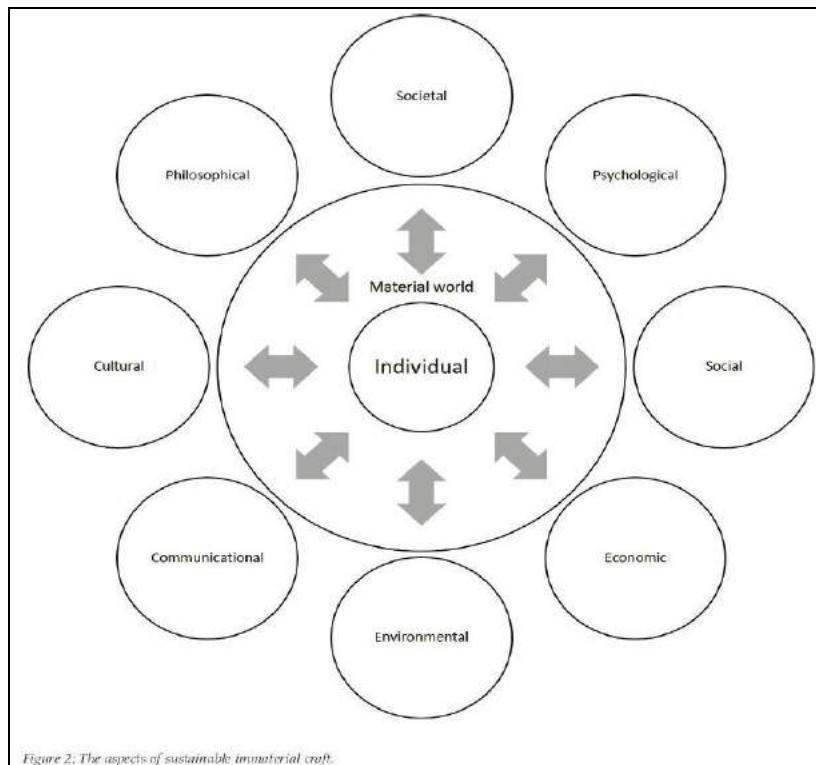
Technical and social challenges of any scale.<sup>5</sup> Biology has inspired design since prehistoric man fashioned spears from the teeth of animals and mimicked the effective sneak-and-pounce hunting

Technique of large predators, but the development of a methodological framework for translating biological strategies into design innovations is a recent one. American inventor, Otto

Schmitt coined the term “biomimetics” in the 1960s to describe the transfer of ideas from biology to technology. Three decades later, biomimicry was popularized by Janine Benyus, who broadcast its enormous potential to inform a new era of design in her

Critically acclaimed book, *Biomimicry: Innovation Inspired by Nature*.

Some scholars argue that the sustainability criterion is too limiting, but “smart companies now treat sustainability as innovation’s new frontier. “When tackled appropriately, it offers opportunities for lowering costs and generating additional revenues, and it enables companies to create new businesses to achieve Competitive Advantage.



*Figure 2: The aspects of sustainable immaterial craft*

### Biomimicry and Sustainability: The Deeper Connection

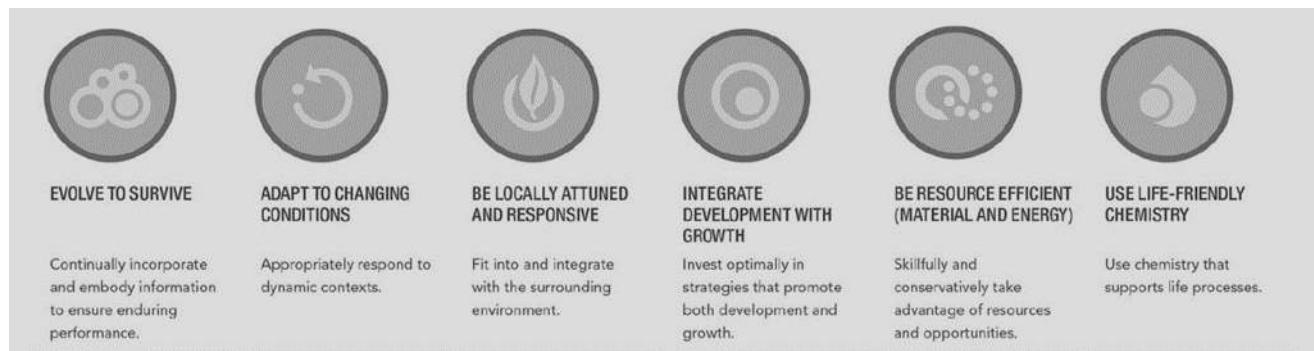
Biomimicry does not necessarily render sustainable outcomes, and we cannot overlook this fact. A biomimetic solution could get high marks in functional performance, but fail miserably in a sustainable life cycle analysis. Thus, designers who want to use biomimicry to create more sustainable designs must strive to emulate biological lessons on three levels: form, process, and ecosystem. This multilevel approach is most effective for achieving solutions that inspire awe in terms of sustainable performance:

1. *Form.* At the first level, emulating form, consider as an example the giant leaves of the Amazon water lily. The shape and support ribs of the leaves can inform a new innovation of lightweight but structurally strong building

2. *Process.* At the second level of biomimicry, the focus is on emulating biological processes, or more specifically, how nature manufactures. Nature assembles structures at ambient temperature and pressure using non-toxic chemistry. By contrast, most factories form product by carving,

Bending, melting, casting, or otherwise manipulating large blocks of raw materials at high temperatures and pressures. Compared to biological manufacturing, the factory approach shows tremendous room for improvement. It is much more energy-intensive, polluting, and wasteful.

3. *Ecosystem.* Even emulating both form and process does not guarantee development of a product with a net zero or net positive environmental impact. The design might still be lacking in terms of how it fits within the larger ecosystem. All organisms are part of a biome that is part of the bio-sphere. As such, every organism's continued prosperity is dependent on the health of the biosphere. Biomimetic designs, like all designs, can be used in a variety of ways, including those that are potentially dangerous. Need is to ensure solutions that are deployed do “what is possible and useful” Rather than “what is possible, but harmful.”



Life's Principles is a systems-thinking tool that contains common principles embodied by most species on Earth.

### Cradle to Cradle: Extending a Product's Life

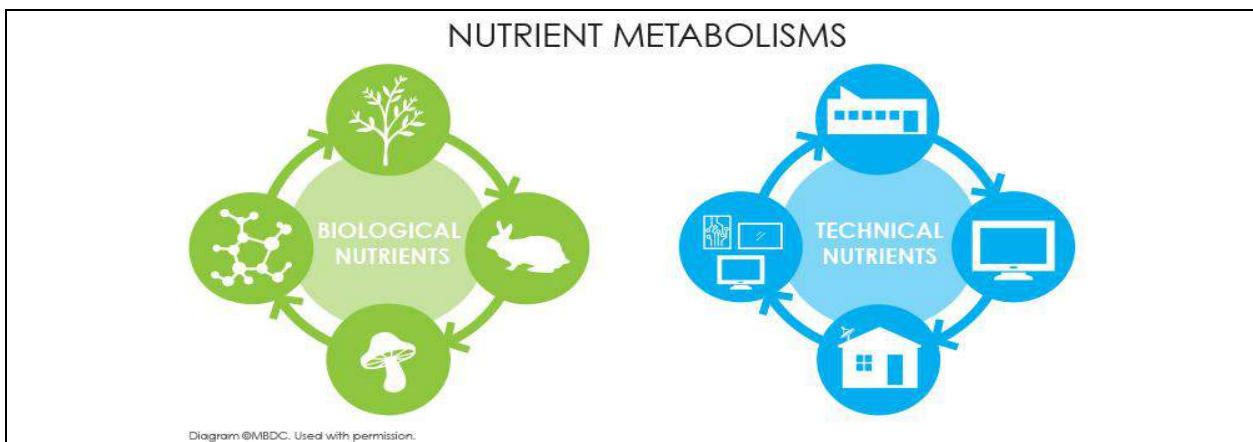
“Cradle to cradle” is a concept introduced by Walter Stahel more than 25 years ago in Europe. In 1976, as Director of a project on product life extension at Battelle research

laboratories in Geneva, Stahel embarked on a program to return products to useful lives. He analyzed cars and buildings on microeconomic and macroeconomic bases and concluded that every extension of product life saved enormous amounts of resources in contrast with turning virgin material into a new product, and it also substituted the use <sup>25</sup> ***Cradle to Cradle: Remaking the Way We Make Things*** is a 2002 non-fiction book by German chemist Michael Braungart and U.S. architect William McDonough. It is a manifesto detailing how to achieve their Cradle to Cradle Design model. It calls for a radical change in industry: a switch from a cradle-to-grave pattern to a cradle-to-cradle pattern. It suggests that the "reduce reuse recycle" methods perpetuate this cradle-to-grave strategy, and that more changes need to be made.<sup>[1]</sup> The book discourages downcycling, but rather encourages the manufacture of products with the goal of upcycling in mind.<sup>[2]</sup> This vision of upcycling is based on a system of "lifecycle development" initiated by Braungart and colleagues at the Environmental Protection Encouragement Agency in the 1990s: after products have reached the end of their useful life, they become either "biological nutrients" or "technical nutrients". Biological nutrients are materials that can re-enter the environment. Technical nutrients are materials that remain within closed-loop industrial cycles.<sup>[3]</sup>

Architect William McDonough and chemist Michael Braungart presented an integration of design and science that provides enduring benefits for society from safe materials, water and energy in circular economies and eliminates the concept of waste.

The book put forward a design framework characterized by three principles derived from nature:

**Everything is a resource for something else.** In nature, the "waste" of one system becomes food for another. Everything can be designed to be disassembled and safely returned to the soil as **biological nutrients**, or re-utilized as high quality materials for new products as **technical nutrients** without contamination.



**Use clean and renewable energy.** Living things thrive on the energy of current solar income. Similarly, human constructs can utilize clean and renewable energy in many forms—such as solar, wind, geothermal, gravitational energy and other energy systems being developed today—thereby capitalizing on these abundant resources while supporting human and environmental health.

**Celebrate diversity.** Around the world, geology, hydrology, photosynthesis and nutrient cycling, adapted to locale, yield an astonishing diversity of natural and cultural life. Designs that respond to the challenges and opportunities offered by each place fit elegantly and effectively into their own niches.

Rather than seeking to minimize the harm we inflict, *Cradle to Cradle* reframes design as a positive, regenerative force—one that creates footprints to delight in, not lament. This paradigm shift reveals opportunities to improve quality, increase value and spur innovation. It inspires us to constantly seek improvement in our designs, and to share our discoveries with others.

### Cradle to Cradle Certified™ Products.

In 2005, MBDC created the Cradle to Cradle Certified Products Program to recognize high levels of sustainability achieved by its clients and to inspire others to optimize their products and “rethink the way they make things.” In 2010, MBDC donated to the Cradle to Cradle Products Innovation Institute an exclusive license for the certification program and

methodology, and the Institute now administers the program and manages the Product Standard as a third-party, nonprofit organization.

The *Cradle to Cradle Certified™ Product Standard* guides designers and manufacturers through a continual improvement process that looks at a product through five quality categories — material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness. A product receives an achievement level in each category — Basic, Bronze, Silver, Gold, or Platinum — with the lowest achievement level representing the product's overall mark.

Product assessments are performed by a qualified [independent organization trained by the Institute](#). Assessment Summary Reports are reviewed by the Institute, which certifies products meeting the Standard requirements, and licenses the use of the *Cradle to Cradle Certified™* word and design marks to the product manufacturer. Every two years, manufacturers must demonstrate good faith efforts to improve their products in order to have their products recertified.

1. Material Health: Knowing the chemical ingredients of every material in a product, and optimizing towards safer materials.
2. Material Reutilization: Designing products made with materials that come from and can safely return to nature or industry.
3. Renewable Energy & Carbon Management: Envisioning a future in which all manufacturing is powered by 100% clean renewable energy.
4. Water Stewardship: Manage clean water as a precious resource and an essential human right.
5. Social Fairness: Design operations to honor all people and natural systems affected by the creation, use, disposal or reuse of a product.



## CRADLE TO CRADLE CERTIFIED<sup>TM</sup> PRODUCT SCORECARD

QUALITY CATEGORY	BASIC	BRONZE	SILVER	GOLD	PLATINUM
MATERIAL HEALTH				✓	
MATERIAL REUTILIZATION			✓		
RENEWABLE ENERGY & CARBON MANAGEMENT	✓				
WATER STEWARDSHIP			✓		
SOCIAL FAIRNESS				✓	
OVERALL CERTIFICATION LEVEL	✓				

### Cradle to Cradle Certified Products



Material Health



## Description

BeGreen Foodservice Packaging comprises a variety of disposable foodservice packaging products made from bamboo and bagasse fiber.

Be Green's innovative, manufacturing process begins by blending natural fibers in a pulping system. The resulting slurry is fed into multiple thermo-pump molding machines which use heat and pressure to create compostable containers. These containers continue on their lifecycle as ideal, compostable solutions for a wide variety of food service and consumer packaged goods products.

## Zero Waste Packaging: Convenience Meets Eco-Friendliness

In a world full of single-use conveniences, **it's easy to overlook the impact packaging has on the environment**. Though it would be nice, it doesn't magically vanish once it disappears into a trash truck. Rather, it stays with us for generations, *filling landfills and leaching toxins to the environment*.

Fortunately, you don't have to sacrifice convenience to protect the environment. Zero Waste Packaging is a commonsense solution growing in popularity quickly.

Consider this for a moment: Americans produce approximately 1.4 billion pounds of trash daily, with approximately 40% of that being packaging of one sort or another. We trash enough disposable cups and utensils every year to go around the equator 300 times

## What Does Zero Waste Packaging Mean?

Since the 70s, innovators have been working to produce ecofriendly packaging that meets the demands of our to-go world, as well as eliminates negative environmental impact. Essentially, Zero Waste Packaging means that materials are either 100% reusable or decompose without harm. This philosophy applies to sourcing, production and disposal.

The most successful and idealistic Zero Waste Packaging production systems mimic natural cycles. The ultimate model is this: when plants in a forest die, they decompose and

become topsoil that feeds the next generation of plants. Nothing is lost, and nothing is harmed. **One life cycle's end is the beginning of another.**

### **Standard Packaging is Dirty Business**

Plastic utensils, straws, single use coffee cups and plastic bags are examples of packaging that don't decompose without harm, like plants. As these materials decompose, they damage the environment by leaching chemicals into groundwater and poisoning wildlife that mistake it as food.

Making matters worse, these types of wasteful packaging take generations to decompose. Take a standard plastic grocery bag as an example. It takes 10 to 20 years to break down under the best conditions. If that bag isn't disposed of properly, it will eventually make its way to the ocean. After drifting for some time, the bag will join one of the many garbage patches floating in oceans around the world, such as the Great Pacific Garbage Patch.

### **Your Voice Matters**

If every food service provider switched to Zero Waste Packaging, the positive results would be far-reaching and immediate.

You can help strengthen the future of Zero Waste Packaging by purchasing foods from companies that use 100% biodegradable, ecofriendly packaging. Another way you can help is to ask companies and businesses you frequent to use Zero Waste Packaging. Send your comments through email and social media, as well as speaking to front-line employees. If owners and stakeholders hear from enough of their customers and staff, they will change their ways because they have to satisfy customers to stay in business.

ZERO WASTE packaging is no longer a dream from the 70s. Its reality if enough people stand up and demand change, **it will happen.**

### **Definition and Benefits of Packaging Reduction Strategies**

Packaging and containers account for a significant portion (23 percent) of the municipal solid waste stream in the United States, equal to about 39 million tons per year. As with

wasted food, there are many benefits to reducing the amount of wasted packaging, including:

- Cost savings from:
  - Purchasing less packaging materials, and
  - Avoided disposal of packaging materials.
  - Environmental benefits by avoiding:
    - Transportation energy and emissions from packaging production and waste transport,
    - Use of natural resources, and
    - Landfill emissions and land use associated with disposal.

### **Strategies for Reducing Packaging**

Standard Packaging	Waste Conscious Packaging
Corrugated (Cardboard) Boxes	Reusable totes, pallets or bins
Disposable cutlery	Reusable cutlery (or keep disposables behind the counter to discourage taking more than needed)
Paper or plastic plates	Reusable plates

Use Reusable Packaging/Service Ware Replacing one-time-use packaging and service ware with reusable products reduces waste and environmental impacts while saving money. Standard Packaging Waste Conscious Packaging Corrugated (Cardboard) Boxes Reusable totes, pallets or bins Disposable cutlery Reusable cutlery (or keep disposables behind the counter to discourage taking more than needed) Paper or plastic plates Reusable plates.

### **Use Environmentally-Friendly Packaging**

When selecting service ware or products (with packaging), choose materials that can be recycled or composted in your area. Before ordering packaging, check with your local waste hauler to see which types of material they accept for recycling and composting. Buying Tip: Purchase wooden coffee stirrers that can be composted instead of plastic ones

that are not recyclable. Remember: the most environmentally friendly packaging is no packaging. For example, for carry-out bags, ask the customer if one is needed before automatically using one. Another strategy popular with customers is to offer discounts for “bring your own” containers- especially for beverages.



**PLASTIC**



**BIODEGRADABLE**

PLASTIC VS BIO FRIENDLY PACKAGING		
S.NO	PRODUCT	PRICE(RS.)(PACK OF 100)
PLASTIC PACKAGING	DISPOSABLE PLATE(SMALL SIZE)	300
BIO FRIENDLY PACKAGING		700
PLASTIC PACKAGING	DISPOSABLE PLATE(LARGE SIZE)	1000
BIO FRIENDLY PACKAGING		600
PLASTIC PACKAGING	SPOON	300
BIO FRIENDLY PACKAGING		200

## Recycling or Composting Program

Recyclable Materials*	Compostable Materials*
Cardboard	Food
Glass	Soiled paper (napkins, paper towels)
Plastic	Cardboard
Steel	Paper or wood packaging (sugar packets, wooden coffee stirrers)
Aluminum	Other organics (yard trimmings)

\*These are the most common recyclable and compostable materials, check with your local waste hauler to confirm specific materials.

We need more people like Sustainable designer and Architect William Mc Donough & Michael Braungart .There firm MBDC focus on, Stop the accepted ways of the industrial works and building industry? No they are saying that we can transform industry with cradle to cradle design, the paradigm on which their firm. MBDC- models human industry on natural processes, creating safe and healthy prosperity. Instead of designing cradle to grave products that are dumped in landfills at the end of their life, MBDC transforms industry by creating products for cradle to cradle cycles whose materials are circulated perpetually in closed loops. Maintaining materials in closed loops maximizes material value without damaging ecosystem.

As interior designers, we bring to fruition the interface between people and building; we play a vital role in creating quality indoor environments. Or focus on healthy, sustainable design solution .If you mention health benefits to potential clients, they will almost express interest in hearing more. Who does not want a healthy, eco-friendly home for their family

and future generations, one that saves energy and uses resources responsibly? This will encourage discussion about the client's wants and needs and reframe his or her thinking regarding return and investment. Authenticity is imperative in marketing your services; it preserves the integrity of the design industry and honors firms who invest in sustainability through education, by achieving professional designation and by meeting testing protocols. Represent your abilities credibly and avoid green washing or making false claims about being environmentally responsible solely to bolster your brand rather than by the honest practice of sustainable design.

Innovation is a key component to any thriving design practice. Client hires you for your unique vision, so identify and communicate your originality in your marketing tools and messaging. Green concept-such as energy efficiency, improved indoor air quality, environmentally preferred products, higher durability and lower maintenance materials and resource conservation-while easy to describe, do not necessarily address all your clients need. Assemble a story linking these concepts with the core values and needs of your target market. Your greatest resource for building a sustaining business practice is success with Innovation .Your creativity is your value, in particular when the home integrates healthy and environmentally responsible solutions.

One should consider following strategies to grow a firm, embracing sustainability as a score value and demonstrating how it permeates each level:

1. Be the green expert in your region
2. Commit to improving indoor air quality on all projects
3. Develop a cost competitive approach
4. Consider giving a discount to truly green client

Incorporate sustainable solutions in your standard design procedures so that the client need not pay higher fees for sustainable design. Keeping operational cost low gives a firm pricing flexibility. Budget are tight the ability to compete on price is essential. A firm that is good at managing the process of integrated design is able to design a green home at the

same fees as a conventional project. Lowering cost might be even more important than branding for competing in the market place .Energy cost saving, health of the planet, healthier environment.

## **Marketing Strategies**

Unilever, the company behind Dove brand soap, commissioned an international study on how consumers felt about sustainable goods. The study showed that a large percentage of consumers worldwide (including in the United States) are actively seeking sustainable products and companies that use sustainable practices.

According to estimates from Unilever, claiming the market for sustainable goods currently sits at \$2.65 trillion (€2.5 trillion), which creates more than \$1 trillion (€966 billion) in opportunities for brands who can effectively communicate their products' sustainable attributes.

This confirms the conventional wisdom that public has high expectations of brands when it comes to having a positive social and environmental impact. The study also uncovers the an unprecedented opportunity for companies that get it right.

More than one in five (21%) of the people surveyed said they would actively choose brands if they made their sustainability credentials clearer on their packaging and in their marketing. For the majority of international consumers surveyed, they feel good when they shop for sustainable products.

While 53% of shoppers in the UK and 78% in the US say they feel better when they buy products that are sustainably produced, that number rises to 88% in India and 85% in both Brazil and Turkey.

Although a fifth of consumers preferring sustainable products may not seem like a large enough percentage to use for predicting future trends, there is good reason to think this trend will continue. It does seem likely that consumers will become more concerned about sustainability as human populations grow and we try to minimize the impact we have on the planet.

As a matter of corporate responsibility, it's good for businesses to be as sustainable and green as possible. But this research shows promoting a business's environmentally friendly and sustainable processes can also be beneficial for the bottom line

"This research confirms that sustainability isn't a nice-to-have for businesses. In fact, it has become an imperative," said Keith Weed, Unilever's chief marketing and communications officer in a press release about the research. "To succeed globally, and especially in emerging economies across Asia, Africa and Latin America, brands should go beyond traditional focus areas like product performance and affordability. Instead, they must act quickly to prove their social and environmental credentials, and show consumers they can be trusted with the future of the planet and communities, as well as their own bottom lines." The researchers hypothesised on why this trend toward more sustainable is happening now and continue into the future. The study suggests that part of the increased interest comes from "direct exposure to the negative impact of unsustainable business practices, such as water and energy shortages, food poverty and poor air quality." "For ages, Ambuja Cement has sported the tagline 'Giant compressive strength,' " Pawar said. "We stared at that for a little less than ages, and the dominoes started falling. What if there was a giant who is too big and too strong for this world, especially his home? What if we did a mockumentary of his troubles? Wait a minute, there *is* an Indian giant, WWE world champion Great Khali. Hallelujah!"



On contrary the wall is majorly made up of bricks. So how a 30 percent cement can super power the 70 percent brick strength. This is a marketing strategy which force and lead people's action

**So why not use this Marketing technique to change the Human Behavior for the better future, so that they start opting for the Bio Degradable Products rather than landfilling Products which is harmful for the Earth.**



Litter in the environment is an ongoing problem, but arguably one of the most pressing environmental challenges that we are faced with today is marine plastic debris. The two common sources marine debris originates from are:

1. Land-based, which includes litter from beach-goers, as well as debris that has either blown into the ocean or been washed in with storm water runoff; and
2. Ocean-based, which includes garbage disposed at sea by ships and boats, as well as fishing debris, such as plastic strapping from bait boxes, discarded fishing line or nets, and derelict fishing gear.

**Better Marketing strategies towards this drastic global cause will help educating society and lead towards better and prosperous future.**

While discarded fishing gear takes its toll on the marine environment by entangling marine life and destroying coral reefs, it only comprises an estimated 20% of all marine debris – a staggering 80% of all marine debris stems from land-based sources. This is not that surprising, considering that around 50% of all plastics are used to manufacture sing-use items which are discarded soon after they are first used.

### **Human psychology for sustainability**

Achieving a sustainable society will require basic changes in everybody's behavior and in our basic values. As shown in several of the articles in this issue, environmental psychologists are engaged in debates about how best to achieve Achieving an Ecologically Sustainable Future. These changes and what kinds of variables are most important to emphasize (e.g., behaviors, values, attitudes, beliefs, incentives, norms, or barriers to behavior change).

This brings us to a central issue, the problem of motivation. How can we motivate ourselves and other people to make these vitally needed changes?

To create a sustainable world, we need everybody's participation. The goal must be to reach a level of environmental impact, as quickly as possible, that will be sustainable for our grandchildren and their grandchildren. Each of us can do many things. We can buy fuel-efficient cars, install extra home insulation instead of running our air conditioners or furnaces, recycle thoroughly, use mass transportation, and limit our families to one or two children. We can also support politicians and other leaders who work for these goals, and

we can help to establish social norms by praising our family, friends, and neighbors for their steps toward adopting simple lifestyles. All of us are crucial in this effort. Everything that we can do will benefit our grandchildren—and the whole world.

## CONCLUSION

Design affects how we interface with the world, so we should balance the profound innovation possible through biomimicry with a lens of environmental and social scrutiny. Design affects how we interface with the world, so we should balance the profound innovation possible through biomimicry with a lens of environmental and social scrutiny. In accomplishing changes in environmental behavior, research has shown that the greatest success is likely to come from using a combination of different types of interventions Like using educational interventions together with incentives, normative pressures, and/or removing barriers to change; Stern, this issue and better Marketing Skills and Strategies.

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# **CONSCIOUSNESS AND COGNITION AMONG MANAGEMENT STUDENTS OF RAJKOT CITY TOWARDS GST IMPLEMENTATION**

**Archana Badani<sup>1</sup>**

Research Scholar- Faculty of Management, Marwadi University, Rajkot, Gujarat  
Email id: shah.archana24@gmail.com , archana.shah103843@marwadiuniversity.ac.in

**Bhumi M.Vyas<sup>2</sup>**

Assistant Professor-Faculty of Management, Marwadi University, Rajkot, Gujarat  
Email id: bhumi.bhatt1090@gmail.com , [bhumi.vyas@marwadieducation.edu.in](mailto:bhumi.vyas@marwadieducation.edu.in)

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## **ABSTRACT**

**I**ndia has revolutionized Taxation System and proven to be the biggest tax reform since independence. It is nothing but GST. Introduction of goods and service tax was not the vague thought. It was a well constituted thought process by Mr. Atal Bihari Vajpayee in the year 2000. But it has become reality from 1<sup>st</sup> July, 2017. The main motto towards introduction of GST was to eliminate cascading taxation effect and to bring the entire country into one tax regime. It has brought in “One nation one tax system” As it is the biggest radical step towards the growth of Indian economy, there is mixed responses from the different sectors of economy. After one year of its implementation people are still confused about its effects. GST is the popular phenomena and it is been discussed day to day. Therefore, it is essential to see whether students of management are sensible about government’s idea. With reference to this perspective present study was carried out to identify the awareness and knowledge of students with regards to implementation of GST. The study aims to investigate the level of awareness and to check the level of knowledge among management students towards GST implementation. The simple random technique was used for the selection of 100 samples. The method used is of quantitative study. Main tool of data collection is the questionnaires to identify consciousness and cognition among the students of Faculty of Management of Rajkot City towards GST implementation. The

data collected was subsequently analyzed using descriptive statistics with the help of SPSS software -version (24) for windows.

**Keywords:** Indirect taxation, GST, Consciousness, Cognition of students

## INTRODUCTION

Taxes are at the core center by which the government finances its activities. Therefore launching of new taxes will certainly change the government's revenue. At the same time, it is necessary to see whether the taxes will be good for the economic system as a whole. India had two taxation system - Direct tax and Indirect tax. India had followed two layer structure of indirect taxation. In the indirect taxation system the person who is liable to pay the indirect tax can collect the tax from somebody else and then paying it off to the government; therefore the burden of taxation shifts from one person to another. Indirect taxation had been categorized into three classifications: 1. Central taxes and 2. State taxes 3. Local Body taxes. However there were many ambiguity in the indirect taxation system. There were major issues and loophole in to the taxation system like multiplicity of taxes, many tax rates, many threshold limits, many taxable values, many taxable events, high compliance cost, high classification cost, complicated exemption definition etc. Therefore in order to remove all these difficulties and limitations the entire indirect taxation system has been replaced by introduction of Goods and Service Tax (GST) in the Indian scenario. Introduction of goods and service tax was not the vague thought, in the year 2000 idea has been initiated and well constituted by Mr. Atal Bihari Vajpayee. But it has become reality from 1<sup>st</sup> July, 2017. Implementation of GST is an unparalleled juncture in the Indian economy which has touched each and every segment and sector of the country.

### Concept of GST

The initiator for the GST implementation in the world wide is France reduce tax-evasion. More than 140 countries have implemented GST and some countries having Dual-GST (e.g. Brazil, Canada etc.) model. India has adopted the model of dual GST based on Canadian model. On August 08, 2016 the Lok Sabha passed changes to the Constitutional Amendments (122<sup>nd</sup>) Bill, 2014 cleared by Rajya Sabha on August 03, 2016. It has become

reality from July 01, 2017 making the day as historic in India's journey towards global reforms. GST is the indirect taxation system in India merging most of the existing rates into single taxation system. (Vineet Chouhan, 2017) GST is the destination based tax on consumption of goods and service. Therefore, SGST on the final product will be collected by the State in which it is consumed. For example, if a product is manufactured in Gujarat but is being supplied to Madhya Pradesh and consumed there, then the tax would be imposed to Madhya Pradesh. Destination based GST would be very much beneficial for the states which consume more goods / services than they produce. The more they consume the more revenue they get from inter-state trade. The move from origin based to destination based indirect tax regime would lead to drop in revenues of some states. This was the reason that some states such as Gujarat and Tamil Nadu had opposed GST, which is a destination based tax, but the central government has promised to compensate such states for a period of five years. There are counter arguments to the revenue loss concept of producer states. The increased exports will increase the income of the producer state and the increased income may increase the consumption and thereby the revenue of the state will improve.

### **Scheme of Dual GST**

GST has two tier structure; Central GST (CGST) and State GST (SGST) - Article 246A, Article 270, and Article 288. Further the center has the power to tax interstate supply of goods and services through levy of Integrated Goods and Service tax. Such GST will be apportioned between center and state on the recommendation of GST council (Economic Law Practice). As India is a federal country where both center and the state both have the powers to impose and collect the taxes. Therefore, keeping in mind of constitutional requirement dual GST is must. Rates of GST applicable for the different categories of goods and services are 5%, 12%, 18% and 28% there is a waste list of indirect taxes that are subsumed under GST. Following is the list of subsumed and not subsumed indirect taxes to GST.

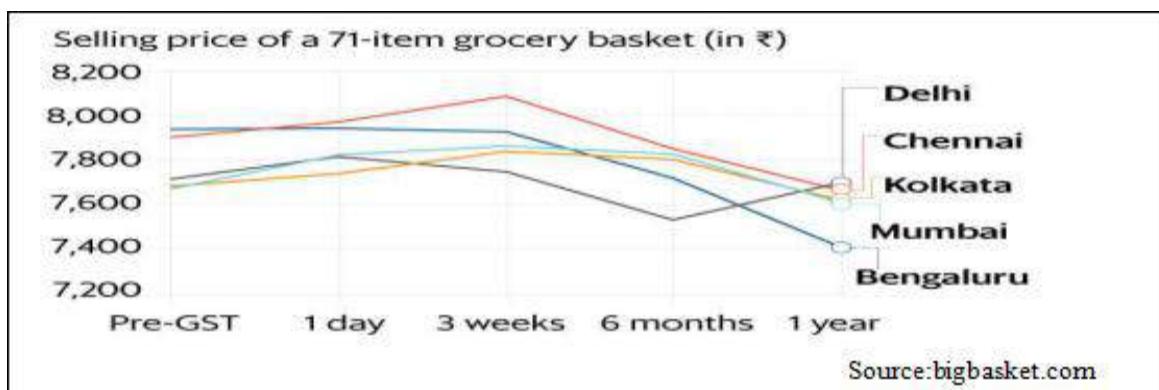
1. Central taxes: Central excise Duty, Additional duties of excise, Additional duties of custom(CVD),Special additional duties of customs (SAD),service tax, Central sub charges and cesses
2. State taxes: State VAT, Luxury tax, Octroi and Entry tax, Entertainment and amusement tax, Tax on advertisement, Purchase tax, Tax on lotteries and gambling
3. Following is the list of indirect taxes not subsumed to GST : Supply of alcoholic liquor, Tax on petroleum, crude, diesel, natural gas, Road and Passenger tax, Toll tax, Electricity tax

### **Nation-wide Success story of GST exactly after one year of its implementation**

When goods and services tax (GST) was introduced a year ago in the entire nation, it was accompanied by both fear and hope.

- From the consumer's perspective:

The evidence on GST after one year of its rolling out is mixed. The following analysis measures retail inflation (CPI) from the sample of 71 middle class shopping cart of metro cities of the nation. The selling price of the 71 items from the basket has been slightly increased and slightly decreased in the above sample cities over the period of one year. The above analysis shows that “one country, one price” motto is still under progress.



But on July 21, 2018, Union Finance Minister Piyush Goyal had announced massive rate cuts on a number of commodities under the Goods and Services Tax (GST), effective from

July 27 .GST on a number of commodities has been slashed from 28 per cent to 18 per cent (Business Standard)

- From the enterprise's perspective:

GST has revolutionized the entire industries. More and more industries will now be under the organized sector rather than unorganized sector. However, the entrepreneur also feels that there is an increase in the compliance cost, burden of increasing frequency of filling reports numbers of times, frequent changes in the tax rates may lead to confusion. (Forbes India).

- Seamless and single national market:

Due to GST there was seamless national market and for the very first time the huge and long and never ending waiting line of transport at the state borders disappeared because of dismantled check posts.( India Times).

- Gradual increment from tax revenue:

More number of people are filling tax returns from past year to current year. FY-2017 it was 5.43 crore and it has Increased to 6.84 crore in FY- 2018. It has been reported in the economic survey conducted by economic advisor Mr. Arvind Subramanian that the government has started collecting revenue from the GST. So, as a whole GST besides addressing tax evasion and corruption it increases productivity and alleviate poverty and economic distortions

### **Blockade effects after one year of GST implementation**

As GST was roller coster ride, it has still few blockade effects after one year of its implementation.

- Burden on MSMEs : Burden of higher tax, burden of compliance cost, refund of



taxes to the manufacturer is still an unsolved issue

- Few products are out of GST purview:

Petroleum products are being kept outside the scope of GST as of now. States will levy their own taxes on this sector. Petrol and diesel are required to run factory machinery and unavailability of input tax credit on petroleum products will most probably push up the final price of all manufactured goods.

- Multiple states registration:

It is compulsory for all the businesses to register in all the states if they are operating in different states and required to comply all the registrations separately

- Commerce issues:

Many SMEs function through e-commerce platforms to sell to different parts of India. Under GST, they will be required to register for all the states which will lead to increased complications and compliances.

## LITERATURE REVIEW

- **Anand Nayyar, Inderpal Singh. (2018)** Wrote a paper on “A comprehensive Analysis of GST in India” and highlighted the background of the taxation system and subsume all sorts of indirect taxes in India like Central Excise Tax, VAT/Sales Tax, Service tax, etc. and implement one taxation system in India. Also presented in-depth coverage regarding advantages to various sectors of the Indian economy after levising GST and outlined some challenges of GST implementation
- **Adiah Abd Hamid, Nurul Mardhiah Harun. (2017)** studied “the impact of GST on the spending pattern of students from the faculty of Accountancy, Selangor”. This study aimed to investigate the level of GST knowledge among the final year students in the Faculty of Accountancy. The findings revealed that students who have much information about GST implementation and in cases where they perceived that GST is

an unfair and unequitable tax system, both situations are highly likely to have significant effects on their spending trend

- **Dr.T.Ramya (2017)** Studied in his paper “GST - A Taxing Strategy towards Economic Development This paper aims to study the consumers’ knowledge about GST and their opinion about the impact of GST on Economic Growth.
- **Nurulhasnishaari,Alizah Ali, and Noraini Ismail (2015)** did survey on “Student’s Awareness and knowledge on the implementation of GST in Malaysia” and they have concluded that to provide adequate and relevant fundamental information is necessary to make them better understand the general principle of GST by organizing seminar, expert talk, on the job training and so on in order to increase awareness and knowledge
- **Agogo Mawuli (2014)** studied, “Goods and Service Tax - An Appraisal” and found that GST is not good for low-income countries and does not provide broad based growth to poor countries. If still these countries want to implement GST then the rate of GST should be less than 10% for growth
- **Garg (2014)** in his paper “ Basic Concepts and features of GST” focused on the impact of GST with a brief description of the history of Indian taxation and its tax structure and did SWOT of GST brings to strengthen our free market economy.

## **PROBLEM STATEMENT**

GST is the popular phenomena and GST has been discussed day to day. The implementation of GST has completed one year, it has passed to many ups and downs and the one year journey was purely a roller coaster ride. Therefore, it is essential to see whether students of management are sensible about government’s idea. With reference to this perspective present study was carried out to identify the awareness and knowledge of students with regards to implementation of GST. The study aims to investigate the level of awareness and to check the level of knowledge among management students towards GST implementation.

## **RESEARCH OBJECTIVE**

The following are the general and specific objectives of the study

- To study demographic profile of respondents
- To check consciousness and awareness of GST implementation among management students
- To find out cognition and knowledge level about GST implementation among management students
- To give suitable suggestions on the basis of findings of the study

### **Hypothesis**

H0: Management students are not having Consciousness as well as Cognition with regard to GST implementation

H1: Management students are having Consciousness as well as Cognition with regard to GST implementation

### **Sampling Design**

Three colleges have been taken as a sampling frame. Namely, Marwadi University Faculty of Business Management, Marwadi University Faculty of Liberal Studies, and Christ Institute of Business Management. Total number of students studying in these three colleges comprises of around 1500 students. Out of this population 100 students are selected as a sample using simple random sampling method

## **RESEARCH METHODOLOGY**

Analysis of the present study is based on both primary and secondary data. Primary data has been collected by questionnaire tool and secondary data has been collected through journals, newspapers, books, websites, and official government report and so on. The data were subsequently analyzed using reliability analysis and descriptive analysis. The study aimed at measuring the level of awareness (Consciousness) and knowledge (Cognition) towards the implementation of GST.

➤ Reliability Analysis

I used the measure of Cronbach's Alpha to see whether the multiple questions using Likert's Scale Surveys are reliable. Stephanie (2017) mentioned that reliability test should meet 0.65 to 0.79 in order to ensure that all the items in a questionnaire are valid. The reliability analysis results in Table 1 shows that Cronbach's Alpha is 0.707 for 17 items

**Table: 1**  
**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.707	.686	17

➤ Descriptive Analysis

Descriptive Statistics is the most important and first step in data analysis. It helps in summarizing the data that has been collected. Below mentioned Table: 2 shows the descriptive Analysis of demographic profile of respondents.

**Table: 2**  
**Demographic Profile Of Respondents**

Sr No	Particulars	No of Respondents (%)	
1	<b>Gender</b>	Female	46
		Male	54
		<b>Total</b>	<b>100</b>
2	<b>Program Type</b>	Under graduate	67
		Post graduate	33
		<b>Total</b>	<b>100</b>
3	<b>Level of Study</b>	1st Year	3
		2nd year	76
		3rd year	21
		<b>Total</b>	<b>100</b>

Source: Primary Data

The above mentioned analysis from the primary data collected from students describes that male students studying in the 2<sup>nd</sup> year of undergraduate program are the major respondents under the present study

**Table: 3**  
**Level of Awareness**

Sr No	Level of Awareness	No of Respondents (%)
1	YES	95
2	No	5

**Source: Primary Data**

In order to check the Level of awareness and knowledge, I have collected the data from management students of Rajkot city and presented in the above Table: 3. it shows that 95% of the students are aware about implementation of GST and remaining 5% of students are not aware of this new reform in the field of taxation. So, it can be found out from the above analysis that management students are conscious about the government initiative.

**Table: 4: Level of Knowledge**

Sr No	Items	Strongly Agree%	Agree%	Neutral%	Disagree%	Strongly Disagree%	Total %
1	Do you agree that citizens are ready with the implementation of GST?	11	21	44	16	8	100
2	GST is the best tax system adopted by many countries around the world	34	41	12	8	5	100
3	GST has overcome old indirect taxation system of India	27	42	14	10	7	100
4	GST will boost efficiency and transparency in the administrative system of the country?	33	37	20	8	2	100
5	GST has made small	28	36	26	5	5	100

	scale business into hardship						
6	GST will burden people	10	20	29	<b>37</b>	4	100
7	Sentences and wordings in GST guide is not user-friendly	10	<b>34</b>	32	14	10	100
8	GST will result in higher prices of goods and services	<b>26</b>	25	20	25	4	100
9	GST will minimize tax evasion	16	32	<b>35</b>	14	3	100
10	GST protects low income earner	9	<b>28</b>	<b>28</b>	21	14	100
11	GST is a source of creating and increasing revenue for the country	23	<b>51</b>	20	6	0	100
12	Implementation of GST will improve Indian Economy	<b>46</b>	36	13	5	0	100

**Source: Computed Data**

In relation to statement number 11 and 12, 51% and 46% of the students are agree and strongly agree that GST is a best source of increasing revenue for the country and in turn it will improve Indian economy. From the above computed data it is found out that majority of the respondents are either agree or strongly agree with the implementation of GST. So it can be interpreted that management students have sufficient amount of basic knowledge of GST implementation. To secure total knowledge score of the students, the collected data has been categorized into Likert's Five Scale Model, representing Strongly Agree as higher scale, Agree, Neutral, Disagree, and Strongly Disagree as a lower scale. The level on student's knowledge for the implementation of GST has been derived from Mean (X) and Standard Deviation (SD) values of 100 respondents.

**Table: 5 : Descriptive Statistics**

Scale		
N	Valid	100
	Missing	0
<b>Mean</b>		36.9400
<b>Std. Deviation</b>		4.80912

**Source: SPSS Calculation**

As the above mentioned descriptive statistical analysis shows that mean is 36.9400 and standard deviation is 4.80912 which very less in numbers. So it can be interpreted that data variables are very close to the mean. Therefore, the above descriptive statistical analysis concludes that number of students under present study are having enough basic consciousness and cognition towards implementation of GST.

## **CONCLUSION AND RECOMMENDATIONS**

After one year of GST implementation people are still confused about its effects. GST is the popular phenomena and it is been discussed day to day. Therefore, it is essential to see whether students of management are sensible about government's idea. With reference to this perspective present study was carried out to identify the awareness and knowledge of management students with regards to implementation of GST. From the study it is concluded that there is Consciousness (Awareness) and Cognition (Knowledge) towards GST implementation among management students of Rajkot city. However, for more focused knowledge it is necessary to provide seminars, expert talk, on the job training and so on to make management students learn further with reference to GST.

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# HUMAN RESOURCE AND ARTIFICIAL INTELLIGENCE

**Amrita Sahay,**  
Faculty Research, Amity Research Centre, Pune  
Email: [amritashining@gmail.com](mailto:amritashining@gmail.com)

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## ABSTRACT

This Research Paper aims to study about the role of Artificial Intelligence in the field of Human Resource Management in recent times. Artificial Intelligence is gaining cognizance in the field of Human Resource Management and is also known for adding impetus to the age old legacy of HRM. Artificial Intelligence is used in Human Resource Management for numerous traditional functions starting from screening of candidates, interview procedures, recruiting them and the utmost of all employee engagement. Various facets of AI like Gamification, Robotics, Machine Learning and Algorithm based hiring are adding value to the conventional path of Human Resource Management. HR Segments were, one of the best fields for testing waters for the realm of AI as the HR Compartments dealt with "human elements". AI, would eventually help HR Professionals for the regular HR functions like short-listing of talents and applicants' screening to later on-boarding procedures and performance assessment. In addition to alleviating the burden from HR personnel, AI would also result in adding productivity to the existing workforce. The time saved by deploying AI in tasks like live interviews, short-listing and performance analysis aids HR Professionals in the best possible ways. This Research Paper mainly focuses on one such realm of Artificial Intelligence i.e. Algorithm based hiring which was widely being used in many companies like Unilever. Apart from Unilever, there are some other companies like Walmart Stores Inc. and Goldman Sachs, which were introducing algorithms and artificial intelligence for moderating the hiring process.

**Keywords-** Artificial Intelligence; Employee Engagement; Gamification; Human Elements; Robotics, Machine Learning and Algorithm based Hiring

## INTRODUCTION

Artificial Intelligence as well as Machine learning is considered as an extended helping hand to the Human Resource Management. Going by expert's views, Recruitment was the most complex and toughest process in today's parlance. Getting the right resource for the right job is a hard nut to crack in Human Capital Management. A recent survey about HR Companies proves that Hiring and Recruitment process is proving to be a costly affair for the companies. Moreover deploying of latest technological tools for Hiring was the need of the hour for the companies.

Most HR analysts feel that recruiting employees for a certain position also involves stakeholders across the company. Nevertheless AI startups are considerably alleviating the operational encumber by utilising AI for low level positions and hiring. A crustal clear example of employing AI into functional HR is seen at X.ai a solution that can help tackle the administrative nightmare of scheduling . Another AI enabled software is known as ClearFit which saves recruiter's time by mechanically finding and allotting levels to candidates and Filter can help assess technical candidates through auto-generated coding challenges[1] .

Recruiting the right person for a job can be often a tough job for organisations. The quantum of resumes can be overwhelming. For tech- oriented firms, recent applications of machine learning together with amplified admission to data raise the possibility of improvising hiring decisions with the help of algorithms. In order to view the relationship between algorithms and hiring, consider the simple fact that hiring is essentially a prediction problem. When a manager reads through resumes of job applicants, he/ she is utterly trying to envisage which applicants will perform well in the job and which won't. Sales driven organizations are trying to forecast the pattern of sales in the year.[2]

### **Algorithm Hiring Vs Traditional forms of hiring**

Moving on, an analysis could be sought between the traditional ways of hiring and the algorithm based hiring practices. Some experts hint that, making use of algorithm techniques in hiring could diminish the time frame in the hiring of candidates. They cite

example of SAP, which had utilised algorithm in recruitment of sales persons, which had led to saving a lot of time on the part of their HR recruiters in screening the CVs manually. Apparently, the company saved about \$370,000 annually by switching over to algorithm based hiring for the sales profile. Further, research on algorithms says that, recruitment based on algorithms always turns out in hiring good professionals. According to a detailed research encompassing 0.3 million candidates, it depicts that, candidates who were hired based on algorithm techniques perform better as compared to employees who were recruited by HR managers.

Moreover, a research conducted in certain more companies proves that the companies, which utilised algorithm based approach for hiring, are successful in getting a varied manpower. Further, research proved that a diverse workforce is helpful in amplifying the sales earnings of the organisation by about 9%. However, advocates of traditional hiring state that the process of hiring had been known as a creative domain, which was best carried out using human experience and decisive power. The eminent experts of the field suggest and cite that, there had been incidents in the past in companies where technical aids did not yield productive results for the company. Moreover, experts also mention that an optimum scenario of hiring was to hire with algorithms while also using the human element. They further add that, algorithms are the best way to screen the candidates, and HR managers were proficient enough to hire a right candidate for the given job.[3]

Meanwhile, Author Antonio Carlos Salles (Salles) pointed in June 2017 that a remarkable hiring experiment was taking place at one of renowned consumer goods companies Unilever. Salles also noted that the company had abandoned the conventional techniques of campus recruitment and had adopted algorithm based hiring for early career profiles.[4]

### **Limitations of Algorithm Based Hiring**

It is observed in most HR companies, that the HR Managers depend on algorithms which were data- driven as they had to deal with a wide range of candidates. It is a known fact that while in some cases the software apps which is deployed is so capable that it could

screen out the resumes of candidates. But experts also agree that the usage of algorithms in Human Resource was also giving rise to a number of discrepancies and pitfalls in the Recruitment process. Infact most HR experts feel that algorithms are bound to be biased and are misinterpretations of machine based learning. One of the biggest hazard of adhering to algorithms in Human Resource is bringing in a lot of biases. Many HR Managers also agree that algorithms replicated human decision making which was capable of making errors. The other way round the algorithms were not supposed be neutral. Moreover in order to avoid the biases while using algorithms, it is advised that the algorithms must be deployed under the guidance of human beings. In order to get the best results, the algorithms must be designed in such a way so that it does not result in raising biases and prejudices in the recruitment process. The need of the hour was a stringent algorithm network which is unperturbed by any form of bias existing in the society.[5]

There are a handful of start-up ventures like Doxa, Textio Gild and Entelo which are deploying algorithm based hiring into the Recruitment process. Although there are mixed reactions and debate related to algorithmic hiring. There are some Experts like Amish Shah of Millennium Search, who remarks on algorithmic hiring as “I look for passion and hustle, and there’s no data algorithm that could ever get to the bottom of that.”[6]

The entry of AI into the HR recruitment industry is a welcome notion for jobseekers as well as their employers alike. But at the same time the HR managers must also take caution while adapting technology in the hiring process. Although it is also considered that with the concept of AI in HR being a novel one, the researchers still need ample time and superior technology in order to detect any existing bias occurring through algorithms.[7]

Moreover industry experts are of the opinion that algorithms were gradually becoming a vital part of the mainstream and people were considering them as a device to help them in decision making. It is also observed that a good algorithmic device would also influence the decision making capacity of an individual to some extent. But in most cases it has been seen that the algorithms were working in tune to the assumptions and predictions of the user.[8]

Furthermore, the sources from Unilever mentioned that, some of its employees perceived that the quality of the candidates which were recruited through automation process were at par with those who were selected through HR managers. Besides, the sources from the company also mentioned that the time spent by hiring through algorithms was much swift as compared to the manual process. Apart from Unilever, there were some other companies like Walmart Stores Inc. and Goldman Sachs, which had incorporated algorithms and artificial intelligence for easing the hiring process. Experts further added that the companies should be accustomed to the new age technologies and should be adjustable to the switch from humans to algorithms for hiring.[9]

Trusted sources from some eminent FMCG companies like Unilever say that it had been deploying artificial intelligence techniques for the recruitment of entry-level employees. The sources also add that the company had witnessed increased productivity and competence amidst the employees. Meanwhile, other sources from Unilever feel that the company devises such new techniques of hiring in order to bring novelty to the company and also to modify new talent acquisition ways. Under this procedure of hiring, Unilever had collaborated with digital HR service providers such as HireVue and Pymetrics in order to provide a comprehensive digital process. The sources from Unilever further add that by adopting algorithm method of recruitment, the company had devised an ‘AI screening’ for the candidates, after which they qualified for an ‘in-person screening’, which would decide whether they would be successful in getting the job or not.[10]

It was revealed that algorithm based hiring were found to be more productive than human beings. But, the study also raised queries such as absence of ‘immeasurable’ aspects like right attitude and cultural fit. Nevertheless, a study conducted by US National Bureau of Economic Research discovered that the employee who was selected through algorithm process, exhibited stability in their roles, which was about 15% more than those who were recruited manually. The experts also noted that, utilising technological expertise was helpful in screening the massive number of resumes of the candidates. The experts also added that, social media wagons were also quite helpful in filtering the candidates based on certain attributes in a swift way. Moreover, the experts also state that the database of rejected employees was also saved carefully by certain software for the future use for the

company. The experts add that through the help of technological aids, the company would be in constant contact with both rejected employees as well as ‘boomerang’ employees. However, a group of HR experts states that the machines were incapable of registering certain attributes of the applicants such as, the aptitude, attitude and general behavior. Such qualitative inputs could not be traced by machines at all.

Moreover, Author Rozelle Laha (Laha) mentions in February 2017, that recruitment which was supported by machines was about 20 to 25% more proficient than employees who had been hired through the traditional ways of hiring. Laha also stated that a report titled, ‘The New Landscape of Hiring’, had revealed that recruitment based on machines were both cost and time efficient. Another remarkable facet of machine based hiring was that the attrition rates were found to be lesser than that of manual based hiring. Meanwhile, Rituparna Chakraborty, Co-founder and Executive Vice President, TeamLease, commented on the positive aspects of machine based hiring as, “With machine hiring, one could estimate attrition (early/premature as well as long-term) likelihoods and therefore choose candidate types that are associated with lower likelihoods. This is a rare (or not a) possibility in case of manual hiring unless data is manually captured and analysed.”[11]

**Figure 1**

#### **Steps of Hiring through Algorithms**

- 1. Pick the right performance metric.** Algorithms are ruthless in pursuing the objective you give them – they will optimize for that, and nothing else. This means you need to be very clear about how you define success. Often the right metric will be a combination of characteristics. For example, a manager hiring a salesperson may wish to balance their likelihood of turnover, projected close rate, and impact on relationships with clients.
- 2. Collect the right variables.** Organizations and applicants alike often use heuristics to determine what characteristics of a resume matter most (College GPA? Previous Job Title? Other Interests?). Effective algorithms require human intuition, experimentation, and iteration to decide which characteristics to measure about an applicant to help predict the performance metric you care about.
- 3. Gather many data points.** After each person is hired, track his performance and keep records of his application data. Algorithms will use these data points to help guide future hiring. But algorithms are also data hungry: the more data points you keep, the better the prediction will be. There is a competitive advantage to scale here. Companies with more employees can learn more.

**4. Compare apples to apples.** A common mistake when measuring previous performance is to overlook differences in the difficulty of tasks assigned to different employees. For example, if the best salesperson took on the hardest clients, they might have the lowest closing rates. The right performance metric will need to adjust for the underlying difficulty of the task.

**5. Anticipate incentives.** Applicants or employees may be incentivized to “game” the metric by acting in ways that superficially increase the score, but do not accurately reflect their talent. Salespeople incentivized to close deals at any costs may score well on a performance metric, but provide little of value to the company. Anticipating this will allow you to create sufficiently broad metrics, and to take strategic behaviour into account.

**Source:** Oren Danieli, et al., “How to Hire with Algorithms”,  
<https://hbr.org/2016/10/how-to-hire-with-algorithms>, October 27<sup>th</sup> 2016

**Figure 2**

### **Benefits of Hiring with Algorithms for HR Managers**

#### **Why HR needs algorithms**

Algorithms are processes used in problem solving or calculations. HR uses algorithms in recruitment software to screen candidates based on specific criteria, for example, qualifications that are essential to meet job performance requirements.

Algorithms offer the following benefits HR:-

- **Rapid screening reduces hiring time:** Algorithms connect significant amounts of information at a rapid pace to identify qualified or close match candidates for your vacancies. Advoito's recruitment software incorporates, Situational Judgement Tests and GNDs to ensure effective screening in the early stages.
- **To help make informed decisions:** Two fifths of HR directors prioritise interview performance in making final candidate selection. Algorithms can support or challenge those decisions, ensuring you select candidates based on the ‘evidence’ provided by relevant data. Final candidate choice should take recruitment metrics into account.
- **Reduced unconscious bias:** The BBC recently demonstrated the potential for unconscious bias in the hiring process when sending out identical candidate CVs with different sounding names. The use of anonymised CVs in your applicant tracking software will help to minimise this bias.
- **Improved staff retention:** Algorithms in HR software provide more balanced information about your candidates. For one-off roles or positions with specific skill sets or historically high turnover levels, they also help to improve retention. When using

algorithms, one case study showed that new hires stayed in jobs 15% longer compared to those selected by HR. The creation of a candidate persona can also help to reduce turnover when combined with algorithms.

### Why algorithms need HR

To be effective, algorithms 'require human intuition, experimentation, and iteration', according to the Harvard Business Review.

Algorithms in your recruitment software filter applicants based on HR's input. For that it is vital to review the following on a regular basis:-

- **Understand your metrics:** Understanding your key metrics such as time to hire, cost per hire and your most successful source of hire is basic information provided by algorithms. For example, data offers insight into the most popular times for candidates applying to your job posts, how long it takes for your hiring team to respond and details of the total number of views per job post, against the number of applicants.
- **Get your brand right:** Support your hiring strategy with a talent recruitment system that reflects a positive brand message. Our previous article provides advice on how to improve your employer brand.
- **Adapt to your talent:** 2017 promises to be an unpredictable year in recruitment with Brexit and the gig economy continuing to disrupt traditional hiring strategies. Choose recruitment software which allows you to track and monitor qualified candidates throughout the hiring process, including on boarding.
- **Choose cloud based software:** Technology is evolving at a swift pace. Growing numbers of employers are now making the move to cloud based software to keep pace with the constant changes. Don't get left behind.

**Figure 3**

#### Unilever's successful implementation of Algorithm Hiring in US (July 2016 to June 2017)

- Applications to jobs doubled within the first 90 days of their posting YOY, from 15,000 to 30,000 applicants.
- Unilever "hired their most diverse class to date." There was a 10% increase in hires of non-white applicants and an increase from 840 to 2,600 universities represented. There was an undisclosed balancing of socioeconomic class represented, and hires were balanced across gender, the latter virtually unchanged YOY.
- The average time for a candidate to be hired went from four months to four weeks, with a cumulative saving of 50,000 hours of candidates' time. Recruiter's time spent on

applications was decreased by 75%.

- The rate of offers to candidates who made it to the final round increased from 63% to 80%, and the acceptance rate of these offers increased from 64% to 82%.
  - The completion rate of the 12 Pymetrics games was 98%. The average score of the overall process was rated 4.1 out of 5.0, based on the 25,000 applicants who took a survey.

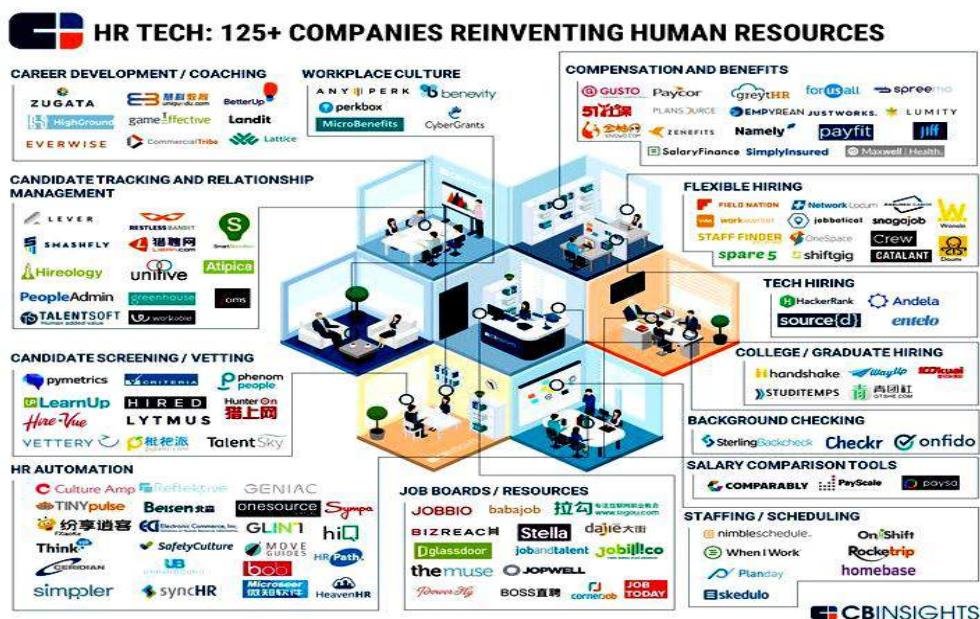
**Source :** Feloni Richard, "Consumer goods giant Unilever has been hiring employees using brain games and artificial intelligence - and it's a huge success",

## CONCLUSION

The Detailed Research Paper would meticulously gauge the efficacy of AI in HRM in the ensuing days. It was also proved that AI and other related technologies were the evidence that the face of HRM would undergo a major transformation in the coming days. This Research Paper would also delve deep and would narrate about the power-packed potential of AI tools which could help not only the domain of HRM but the whole organisation as a whole in the coming days. Besides specifically, the paper would limit itself to the validation of Algorithm tool used in hiring or resources in HRM.

## **Annexure I**

### **HR and AI in Companies**



Source : “The Future of HR”, <https://www.pinterest.com/hrtrendinst/the-future-of-hr/>

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# **DOES THE SITUATION TRIGGER AN INDIVIDUAL TO BLOW THE WHISTLE OR THE PERSONALITY: CASE STUDY ANALYSIS**

**Akshatha Mutalikdesai<sup>1</sup>,** Undergraduate student, Department of Business and Human Resource Management, University of Wolverhampton, Rustomjee Academy for Global Careers, Dahanu, India.

E-mail address: akshathadesai10@gmail.com

**Kavita Dubey<sup>2</sup>** Faculty of Business and Human Resource Management, University of Wolverhampton, Rustomjee Academy for Global Careers, Dahanu, India.

E-mail address: [dubeykavita5@gmail.com](mailto:dubeykavita5@gmail.com)

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## **ABSTRACT**

**T**ime has recorded incidents that witnessed revelation of unethical activities and practices which has harmed the organization or the general public. Here was where a superficial power was dictated in the hands of a person who raised an alarm on the wrongdoings. Whistleblowing as a phenomenon has become a dichotomy where it is looked up to be an act of bravery and also of a traitor by the corporates. Time in history have marked many events which has outburst the reality on how a person dares to blow the whistle and stand for the legal rights. Dr. Bill Corcoran once quoted, “If you want safety, peace, or justice work for competency, honesty, and transparency.” Ethics plays an important role which gives you two directions – either sleep every day with a sense of guilt that even after knowing the truth, you choose to remain silent because you are being paid by them or raise your voice against the unethical practices which will make you sleep with a sense of satisfaction. Here is where an individual’s or organization’s ethical values is questioned. This kind of choice puts an individual in a defective dilemma.

**Problem:** The concept of whistleblowing has come into corporate dairies which defines as any individual who raise voice against the unethical, illegal, unlawful, etc. practices within an organization which might hamper either the company internally or the general public externally. Corporate life is a test but in the workplace, few are tested more; those are the whistleblowers. The act of whistleblowing is a comprehensive test of the whistle blower’s

values, loyalties and above all self-worth. The whistleblower who survives, has to pass these tests in that timeline. A sudden urge to address the issue of whistleblowers has become a priority. Nevertheless, no matter what channel of communication is being used, the typical organization yet looks at whistleblowing as an act of treachery and goes out of the way to term it illegitimate. Any disclosure of supposed confidential information relating to organizational faults more often results in retaliation by the organization. This is further exaggerated if the details are shared on a public platform.

Acting as employees whose loyalty to the organization and the society at large is never suspected, the whistle-blower often is unprepared to comprehend the hostility. Laws being at its supreme state, created for favouring the innocent fails to compensate the sufferings and the mental torture an individual goes through for the entire period after whistleblowing. Another defined problem is a conflict between whether an individual is born whistleblower with certain personality traits or is it the situation that makes an individual to raise the voice.

**Purpose:** The research paper also summarizes the retaliations, sufferings and mental torture that an individual has to go through despite raising their voice for the ethical things. The major catch point for the organization through this paper possibly can be how to reinforce the policies which safeguards the life of a whistleblower. Also, how to emerge as an ethically driven organization by following the standard code of conduct under any unforeseen circumstances. Seek first to understand than to be understood is what the organization needs to know. Stepping into the shoes of an employee who blows the whistle will help to understand what all it takes to stand for the right. Surely, if an organization succeeds to comprehend then the right set of policies and procedures can be put into the implementation stage. Hence, would get the effective results for the committed crime.

Now the one who blows the whistle comes with varied definition of background, gender, caste, creed, etc. Whistleblowing is perceived to be an act of bravery that goes with an individual being strong and outspoken. But does that notify or predicts that the silent ones cannot stand for the rights? Is an individual born as whistleblower? This research paper will try to answer the question raised. A detailed explanation on the personality traits will

be listed down through deeply analyzing eight real time case studies of whistleblowers belonging from varied gender, background, caste, creed, etc. in India. Furthermore, the main objective to find out whether the situation triggers a person to blow the whistle or it's a particular type of personality which determines are likely to whistle blow? Will be justified.

**Methodology:** As the research is on real time eight case studies of whistleblowers that has happened in the past, information extracted is purely based on secondary data from the internet and newspapers. Supporting tools and techniques, like personality theories is used to identify the traits of a whistle-blower.

**Result:** After a critical analysis on the personality traits of whistle-blower, the paper reveals that by providing justifications on the results. Analysis of case studies denotes that it is not just a particular type of personality traits which determines a whistle-blower rather it is the situation or circumstances that triggers an individual to emerge as a whistle-blower. Agreeably, a set of ethical values and belief in an individual act as an ingredient in becoming a whistle-blower but does not assures that every human with this value will stand for the virtue rights.

**Significance:** Once Albert Einstein stated, "relativity applies to physics, not ethics". Organization builds and progress when the foundation is taken care of with high standards of ethics. Likewise, learning about employees' experiences gives an opportunity for the organization who considers the negative criticism and work to eradicate the flaws. Being ethical as an organization will minimize the chances of whistleblowing activity. The significance of the research highlights in the matter itself that how ethical you as an individual and as an organization are? In another term, to be or not to be is the question. As you will bore the seeds you have sown.

**Conclusion:** Whistleblowers is itself a subject of controversy where organization designs policies which mentions to protect the lives of a whistle-blower but never expects any of their employee to become one. The repercussion on organization and on employee is proven to be a harsh experience with lot of distress and uncertain actions involved. The

research paper presented concludes by describing the experience of each whistleblowers and justifies how does the situation triggers an employee to develop as a whistle-blower.

**Keywords:** Whistleblowers, Whistleblowing, Personality traits and trigger.

## INTRODUCTION

Time has recorded incidents that witnessed revelation of unethical activities and practices which has harmed the organization or the general public. Here was where a superficial power was dictated in the hands of a person who raised an alarm on the wrongdoings. Whistleblowing as a phenomenon has become a dichotomy where it is looked up to be an act of bravery and also of a traitor by the corporates. Time in history have marked many events which has outburst the reality on how a person dares to blow the whistle and stand for the legal rights. Dr. Bill Corcoran once quoted, “If you want safety, peace, or justice work for competency, honesty, and transparency.” Ethics plays an important role which gives you two directions – either sleep every day with a sense of guilt that even after knowing the truth, you choose to remain silent because you are being paid by them or raise your voice against the unethical practices which will make you sleep with a sense of satisfaction. Here is where an individual’s or organization’s ethical values is questioned. This kind of choice puts an individual in a defective dilemma.

The aim of this paper is to know the personalities of an individual, transparency and whistleblowing from an organization’s standpoint. A relation between personality traits and whistleblowing is been justified by deeply analysing eight case studies of whistleblowers in India. There is an increasing tendency across the globe to view the process of whistleblowing as an important tool towards governing corporate misconduct. Yet, now a day, organization tends to misunderstand between rational loyalty and traditional loyalty amongst the employees. But in the subsequent research, the hindrances faced by whistleblowers inspite of enforcing law and order by government and stringent policies by organization can be picturised.

## LITERATURE REVIEW

From centuries, values, morals and ethics is been imbibed within individuals to grow as an honest human kind. Strangely, not all have understood this lesson and got onto the clutches of stealing, manipulate data, getting into illegal and unethical activities, etc. Whistleblowing is seen to be an act of traitor or being disloyal towards the organization. Why would speech not be morally permitted? (Lindblom, 2007) still remains a question. Whistleblowing is a debated topic which has always captivated experts to research and investigate on how the illegal practices goes through a legal channel through a whistleblower who should be treated fairly in the land of law.

According to (Loyens & Maesschalck, 2014), whistle-blowers are the one who does not hold a position or has no authority to take decision on the wrongdoings and so has to blow the whistle to make the top management aware about the issue (Loyens & Maesschalck, 2014). Where, Janet and Marcia exerts that whistleblowing comes into light when there is a wrongdoer, who is been caught through an observer or the witness who later turns into a whistle blower and lastly the panel in an organization who investigates the issue (Near & Miceli, 1996). On a different take, the author (Baltaci & Balci, 2017) explains that whistleblowing is a self-conscious act of an employee which involves high standards of ethics and risk. Whistleblowing is an act of passing the information to the authorities about the unethical behaviour carried within an organization. For which the person can blow the whistle within or outside the organization through sources (Baltaci & Balci, 2017).

### Common traits of whistle-blowers

Even after listening to the cases of whistleblowers being killed, still individuals are motivated to stand against the wrongdoings. To raise the voice against a crowd of hundreds or thousands, needs bravery and boldness, because the consequences cannot be really predicted. Whistleblowers carries some special traits which makes them different from the crowd. These are the individuals who stands for the right and fight against the wrongs. It is the special traits which gives the strength to an individual to blow the whistle against the co-employees, supervisors or the management even when they are aware about the fact that

upshot can be worst. This topic will further identify some common traits of whistleblowers taking few author's views into consideration.

Previously, in the year 1999 the author stated that whistleblowing is an act of self-centred behaviour who often avoid complicity and maintain high standards of self-integrity (Peter B. Jubb, 1999). The author emphasises on the point that one of the trait a whistle-blower possess is integrity meaning an individual remains honest and are morally strong under any given situation. Besides this, the authors assert that an employee who is loyal towards the organization cannot blow whistle (Markus, Jonas & Roland, 2014). Which means that an individual cannot raise the voice, in a situation where one is working for the organization from many years. For example – A person might be loyal from with his values but is forced not to raise voice as he serves the organization from a long time. In addition, according to Luskin (2011) from Touro University says that following are the traits found in a whistle-blower which are as follows-

- Altruist
- Exhibitionist
- Moralistic, committed and uncompromising individuals
- Strong beliefs and attitude (Luskin, 2011).

Whereas, (Alisa, Sandra & Karl, 2015) relates the traits of whistle-blower with 'big five personality traits' theory (Rocca, et al., 2002) which are namely extraversion, agreeableness, conscientiousness, neuroticism and openness to experience. They say that the concern towards society can be impacted from an individual's personal traits. Extraversion, is an individual with traits like assertiveness, sociability, excitability and high amount of expressiveness (Berman, 2018); agreeableness, these personality traits includes kindness, affection, trust, altruism and pro-social behaviour (Peeters, et al., 2006); conscientiousness, are the individuals with great thoughts, good impulse control and goal-directed behaviour (Peeters, et al., 2006); neuroticism, individuals who are usually emotionally unstable, anxiety, moodiness, irritability and sadness (Berman, 2018) and lastly openness, includes attributes like broad interest, curious, unusual ideas, etc. (Peeters, et al., 2006).

An individual exhibits different traits in a given set of situation and so does a whistleblower. Values and morals remains the same of an individual. So, the loyalty of an individual with oneself and with organization becomes an act of confusion. Are there a set of personality traits which determines an individual to become a whistleblower or does the situation triggers them?

To find out the personality traits, theory which is taken as a tool to identify the personalities is Big Five Personality Traits. Following are the important traits with a detailed description-

### **Big Five Personality Traits**

Big Five Personality Traits by Goldberg highlights five major traits of an individual. The traits are further divided into various characteristics which describes the possible behavior or personality of a human (Zaidi, et al., 2013). Following are the important traits with a detailed description-

#### **1. Conscientiousness**

This includes dependable, hardworking, organized, self-disciplined, persistent, responsible

#### **2. Emotional stability**

Calm, secure, happy, unworried

#### **3. Agreeableness**

Cooperative, warm, caring, good natured, courteous, trusting

#### **4. Extraversion**

Sociable, outgoing, talkative, assertive, gregarious

#### **5. Openness to experience**

Curious, intellectual, creative, cultured, artistically, sensitive, flexible, imaginative.

After identifying the personality traits of whistleblowers, following paragraphs will provide a detailed justification on the traits through collected facts and information available on internet. For understanding different personalities, eight real time case studies have been sampled with ranging from different age group, background, gender, etc.

## **METHODOLOGY- CASE STUDY ANALYSIS**

The researchers have mentioned the traits which are commonly found in a whistle-blower. To argue with the views of the researchers, live cases would be taken as a base to explain that not only individual who are extroverts in nature has the will and ability to blow the whistle but people who are shy, introvert or silent in nature do raise their voice against the wrongdoings if situation comes.

## **DATA COLLECTION**

For an in-depth research and understanding on the topic, eight cases of whistleblowers was selected based on Indian context. Following are the cases produced which briefly highlights the incidents and indicates on the personality traits.

### **Case study - 1**

Satyendra Dubey was observed to be a silent person who was introvert in nature. A person who was scared of something wrong with himself as well as for others. He was also a prompt person who carried out his roles and responsibilities on the guidelines mentioned. Perhaps, even being an introvert what made him to become a whistleblower is the ethical values he possessed. Satyendra Dubey, a 31-year-old was the Manager of the National Highways Authority of India (NHAI). He was posted in Gaya in Bihar state. Mr. Dubey was assigned to release funds for the projects which was to connect major cities by four-lane limited access highways estimated for 14,000km (The Hindu, 2016). The young IT Engineer could not bear the unethical practices (like producing forged documents, prior advances for the project to initiate, etc.) and protested against the financial irregularities in the Golden Quadrilateral highway construction project in Bihar (Beato & Lakshman, 2014). When witnessed, Mr. Dubey wrote a letter to the Prime Minister Office (PMO) (Atal Bihari Vajpayee) narrating the entire incident where he also mentioned to keep his name as a secret. This indicates that he was an introvert and sensitive person to handle the issue. Also, wrote the same letter to the Chairman of NHAI. He expressed in the letter that “I have written all these in my individual capacity. However, I will keep on addressing these issues in my official capacity in the limited domain within the powers delegated to

me” (Beato & Lakshman, 2014). But neither of them bothered to investigate. Soon his name was leaked in front of the public and thugs associated with the corruption shot him in 2003, after a year later when he had complained.

### **Case study – 2**

A whistleblower from Madhya Pradesh was transferred 18th time in 13 years for exposing the unethical works. This statement itself portrays a trait of being an extrovert and outgoing who is capable enough to stand for the rights. Naiz Ahmed Khan, being a bureaucrat was the sole person to raise an alarm for the unethical practices which took place during the “Swachh Bharat Abhiyan” in Guna. The government officials were been instructed to follow the guidelines while constructing the toilets for the general public (Naveen, 2017).

But the personnel found guilty during a random check where Mr. Naiz found that the iron used for the doors weighted 4kg instead of 14kg as per the guidelines for 42,000 toilets (Shah, 2017). In comparison with the estimated density of steel, the implemented steel will not be able to sustain for a longer period of time and can be stolen because of its light weight. The structure won’t be able to perform in a better way during its functioning as well. This shows the irresponsibility or corruptness of government personnel in the purchasing process of low quality material, results in sub-standard structure. Here, he exhibited the trait of having a judgemental brain to forecast the future consequences. Mr. Khan informed to the media that the scam that took place was likely to expose approximately Rs. 100 Cr corruption on the toilet doors. The money of public was utilized to fill the officials pocket instead of fulfilling the purpose of the project being initiated (Naveen, 2017). The whistle-blower was soon transferred after the revelation of the wrongdoings and was placed as a deputy security, a unit with meagre scope to guard corruption.

### **Case Study – 3**

In 1989, Shiv Chopra sparked debate over Canada’s veterinary drug approval process after he and fellow scientist Margaret Haydon testified before a Senate committee that they were being pressured to approve bovine growth hormone (BGH), a product aimed at boosting

milk production in dairy cows. Employed as a senior scientific advisor, he refused to approve various harmful drugs for food-producing animals (CHOPRA, 2018). They wrote directly to then-health minister Anne McLellan, urging a total ban on animal feeds containing rendered materials of other animals after the discovery of a case of bovine spongiform encephalopathy, known as “mad cow,” in Alberta. They spoke out against approving the antibiotic Baytril for animal use, arguing it could produce antibiotic resistance in humans (LAUCIUS, 2018).

#### **Case study – 4**

A post-graduate from Karnataka became a whistle-blower when he sealed two petrol pumps in Lakhimpur kheri for selling adulterated fuel from past three months. The warning was not taken so seriously and hence, the petrol pump restarted after a month, when Shanmugan Manjunathan planned to conduct a raid (Fernandez, 2005). After the day of raid, there was no trace of Shanmugan and soon he was found dead in his own car. After investigation, it was revealed that Mr. Manjunath was murdered by the petrol pump owner along with an employee working there (Akiri, 2014).

From the case above, it clearly states that Mr. Shanmugan was an extrovert person who stood out for the right things. Nevertheless, failed in understanding that his life might be in treat, where he perceived that his surprise visit will make them worried.

#### **Case study – 5**

Pandhare is a whistle-blower who wrote to the Chief Minister of the state of Maharashtra and its governor alleging irregularities and cost inflation in irrigation projects. The controversy raised by these communications caused the Deputy Chief Minister of the state Ajit Pawar to resign. In his letters, he pointed out that Rs 120 billion spent on lift irrigation projects in the state are a total waste as around 99 per cent of the total 227 projects in Maharashtra are not working and 90 per cent never began functioning (India, 2012).

Pandhare, in a letter to other engineers, alleged that corruption can be controlled by curtailing the powers. The irregularities were so serious Pandhare alleged that the

government was "playing with people's lives". Ajith Pawar resigned from his post after hinting the fact that he was also involved into the scam (DNA, 2018).

### **Case study – 6**

Shehla Masood (38 years), an RTI Activist exposed the corruption related to forest produce. She also exposed Madhya Pradesh CM Shivraj Singh Chauhan's expenditure on household entertainment which estimated almost to be in Lakhs every month (Mehdudia, 2011). But the reality revealed expenditures on snacks, sweets, lunches, bouquets, telephone and mobile bills. In due course of time, Shehla exposed many such corrupt officials like 12 serving judges who in the name of justice spend money staying in luxurious hotels, which was borne by the government (Dutta, 2012). The whistleblower had a sound knowledge to perceive what was right and what was wrong and took steps accordingly.

### **Case study – 7**

Varsha Dongre, was a deputy superintendent at Raipur central jail. She filed a petition in 2006 alleging corruption and favouritism by the Chhattisgarh State Public Service Commission in the recruitment for 147 civil services posts in 2003 (The Wire, 2018). Varsha was an introvert who never thought that she could ever stand for her rights. In August 2016, the Supreme Court found her allegations Valid and ordered for a "fresh" merit list to be prepared. It also directed the commission to pay Rupees five lakh to her as legal expense and Rupees one lakh each for the other two petitioners. The tenacity and Persistence of the Petitioners, especially that of Varsha Dongre was appreciated by the court, for bringing out the acts of corruption, favouritism and sexual abuse with the Adivasi (Scroll.in , 2018).

### **Case study – 8**

Raya Sarkar, a law student aged 24 based in US dare to reveal the list of sixty sexual predators in different Indian universities in academia. This step was taken to spread awareness amongst the young girl to stay away from such professors that ranged from

verbal abuse, molestation to rape as the final junction (Indian Express, 2017) (Shankar, 2017).

Raya Sarkar, an Indian lawyer based in the United States, put out a list on her Facebook page, naming and shaming academicians who have been accused of sexual harassment by students. This came about after #MeToo campaign where thousands of women (and some men) spoke out on social media about being sexually harassed by powerful men, in the wake of the allegations against Hollywood mogul Harvey Weinstein (Indian Express, 2017).

On 24th October 2017, Raya Sarkar, an advocate and vocal anti-caste feminist published a crowd sourced list of professors in Indian academia who have been involved in sexual harassment or have been sexual predators at some point in their lives (Shankar, 2017). Through this case, Mrs. Sarkar has exhibited the trait of being a confident and brave girl.

## Interpretation

With the procured data following is the analysis displayed through using Big Five Personality Traits. Following are the major traits which is highlighted to get an understanding about each whistleblowers personality.

### Satyendra Dubey

- Conscientiousness
- Agreeableness

### Vijay Pandhare

- Conscientiousness
- Extraversion

### Shiv Chopra

- Conscientiousness
- Openness to experience

### Shehla Masood

- Extraversion
- Openness to experience

### Naiz Khan

- Extraversion
- Openness to experience

### Varsha Dongre

- Conscientiousness

### Shanmugan Manjunath

- Extraversion
- Openness to experience

### Raya Sarkar

- Extraversion
- Openness to experience

<b>EXTROVERT</b>	<b>INTROVERT</b>
Naiz Khan	Satyendra Dubey
Shanmugan Manjunath	Shiv Chopra
Vijay Pandhare	Varsha Dongre
Shehla Masood	
Raya Sarkar	

The tables represented above shows the personalities of each whistleblower and in the following, paragraphs the traits identified shall be justified with relation to the incidents occurred.

**Satyendra Dubey** was a dependable and self-disciplined person (conscientiousness) who used to deal with high ethics. Being from a poor family, he also knew the pain to get a position in NHAI. This also showcase that the values and morals seeded within Mr. Dubey were from his childhood time itself which later forced him to stand up as a whistleblower. Another notifying trait which is agreeableness was seen in his personality which defines to be being cooperative, warm, caring, good natured, courteous and trusting. He had mentioned in the letter which clearly stated not to reveal his identity which explains that he had trusted the higher authority but soon turned to be wrong. Hence, he had a trait of perceiving things which ultimately lead him to death. The quality missing here was having an alternative plan for safeguarding one's life.

**Naiz Khan**, who was an extrovert individual never scared for anything in his entire lifetime. So, the trait of extroversion was identified which means the one who is sociable, outgoing, talkative, assertive and gregarious. To back this trait with an evidence, he was also transferred several times in due course of his tenure because of his bold behaviour to expose wrongdoings. Openness to experience was seen within Mr. Khan who always stood

for the rights. When he got to know about the materials used for building the toilets, he exposed everything in front of the media which speaks about his boldness and bravery.

**Shiv Chopra** refused to approve various harmful drugs for food-producing animals as mentioned in the case above. It reflects being conscientiousness trait. He was extremely self-disciplined individual as told by his children in one of the interview. They also mentioned that he always taught to stand for the right things. This shows the strong moral values he possessed as an individual. One the other side, also being an introvert person who usually used to mind his own business, later grew bold who spoke openly in front of the counsel and media about the unethical practice that took place within the business. Hence, highlights being open to new experiences.

The story of **Shanmugan Manjunath** has given India an ideal example of being a whistleblower. He was a clear extrovert who dared to visit the petrol pump for a surprise raid even after knowing that those were the mafias which would end his life anytime. Openness to experiencing an unusual incident took his life forever. Being curious to know their business being functional, a surprise raid he conducted in night; was a mistake that he did. Because no alternative plan for his protection was forecasted even after noting the fact of the dangerous people he dealt with.

**Vijay Pandhare** exhibited a trait of being an extrovert who had the power to expose even the CM of Maharashtra who was involved in the scam. He openly mentioned that corruption could be controlled if government performed its roles and responsibility in an ethical manner biding by the laws and guidelines mentioned. He was also a disciplined person who walked on the right path throughout his life.

**Shehla Masood**, who had exposed 12 serving judges who misused the government leverages. It is wide evident that how bold this lady was to blow the whistle. She was an extrovert and also open to the new experience which triggered her to speak up. Belonging from a well-cultured family, Ms. Masood understood the values and morals that she gained from her parents and stood for the right.

**Varsha Dongre**, who never thought that even being an introvert she will ever speak up for her rights became a whistleblower. After a long struggle of exposing the unethical practices that took place in the jail, finally the court believed her. Being a deputy superintendent, her role was just to follow the instructions but she went out of her comfort zone and found the wrongdoings and raised her voice for justice which portrays that she was open with new experiences to handle.

In the tender age of 24, **Raya Sarkar** dared to become a whistleblower who didn't care of the future repercussions. This exhibits her trait of being extroversion and who is also open to new experiences. She had exposed the bad truth of the famous colleges where professors were involved in sexual harassments. Being a teenage girl, she understood the self-respect of another girl and went out on streets and social media to lift this heating issue.

To summarise in a nutshell, an individual is moulded and shaped with ethics, values, morals etc. from childhood. Parents and teachers are the initial ones responsible for upbringing of the child. All these whistleblowers who belongs to different caste, religions, gender, race, etc. were seeded with right values and ethics. Apart from the being extrovert, the table above also specifies the names of the introverts who became whistleblowers. What made them to blow the whistle is their core values and beliefs they were been taught and the situation which triggered them to realise their inner morals which forced them to raise their voice.

## CONCLUSION

A wise nation should keep watchdogs to ensure that the standards are followed as required. The lacuna here is with the conflict of interest between organizations and government's functioning. Government makes the laws and organizations with policies. But rarely serves the purpose of providing justice to the allegations and unethical things raised by a whistleblower.

To conclude after a critical analysis of the case studies, the interpretation is segregated into two parts- traits within the Big Five Personality Traits and extroverts and introverts. The above table displays the list of individuals who were extroverts as well as introverts but yet

had the urge to blow the whistle. This also clears that not only the individuals who are always outgoing, extrovert in nature, bold, brave, strong or confident usually tends to grow as whistleblowers but the weaker links too. Rather it is the situation that triggers an individual to blow the whistle. It is even evident that under some extreme circumstances, an individual irrespective of being an introvert or extrovert blows the whistle which is subject to the trigger factors that emerges suddenly within an individual.

But does that even mean people with no moral and values blow the whistle? Well, morality and values is seeded in an individual in the childhood times. It even depends on the upbringing of the person as well. Morality generally refers to attitudes and predispositions that foster respect, responsibility, integrity and honesty. Morality is viewed as the —system of rules that regulate the social interactions and social relationships of individuals within societies and is based on concepts of welfare (harm), trust, justice (comparative treatment and distribution) and rights (Smetana 1999) (Kaur, 2015). Furthermore, it is the combination of situation or circumstances and the moral values that triggers an individual to develop as a whistle-blower. Any past event or a sudden sense of realisation can lead a person to blow the whistle too.

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# **ANALYSIS OF SUITABLE LEADERSHIP STYLE TO COLLABORATE MULTI-GENERATIONAL WORKFORCE IN 21<sup>ST</sup> CENTURY**

**Ms. Drisha Mistry<sup>1</sup>**

Department of Business and Human Resource, University of Wolverhampton, Rustomjee  
Academy for Global Careers, Dahanu 401602, Palghar, India.  
E-mail address: drishamistry09@gmail.com

**Miss. Kavita Dubey<sup>2</sup>**

Department of Business and Human Resource, University of Wolverhampton, Rustomjee  
Academy for Global Careers, Bhayander 401105, Thane, India.  
E-mail address: [dubeykavita5@gmail.com](mailto:dubeykavita5@gmail.com)

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## **ABSTRACT**

In the present scenario, the organization workforce comprises of five generations, named as Traditionalist, Baby boomers, Generation X, Generation Y and Generation Z are deliberated to be one of the crucial assets for the organizations. Considering generation dynamics, the paper denoted that each generation possess a unique quality and characteristics that makes a strong pillar of an organization because multigenerational workforce indicates diverse talents and proficiencies in the working environment. However, this generation dynamics led to diverse mind-sets that resulted different viewpoints of employees for the common organizational goals. As a result, it is difficult to manage effectively and convert their attributes into organization efficiency.

In this context, an effective leader is essential in an organization so that it defines as well as directs the team towards corporate strengths and opportunities. Additionally, a leader can encourage and empower the employees for marching together to accomplish organizational pinnacles. Moreover, a leader has an ability to identify and bridge generational gap and develop competitive advantage in an organization. The study has summarized that an effectual leadership style is the strategic footstep for managing employees from different generations via behavioural style to develop cohort and collaborated approach that showcases competent corporate environment. Nevertheless, it completely depends upon a leader to extract virtuous qualities of the employees and mix the talents well.

**Keywords:** Multi-generational workforce, Generation gaps, Leaders, Leadership styles, Engaged employees, sustainability.

## INTRODUCTION

In the present scenario, the organization workforce comprises of five generations, named as Traditionalist, Baby boomers, Generation X, Generation Y and Generation Z are deliberated to be one of the crucial assets for the organizations. Considering generation dynamics, the paper denoted that each generation possess a unique quality and characteristics that makes a strong pillar of an organization because multigenerational workforce indicates diverse talents and proficiencies in the working environment. However, this generation dynamics led to diverse mind-sets that resulted different viewpoints of employees for the common organizational goals. As a result, it is difficult to manage effectively and convert their attributes into organization efficiency.

In this context, an effective leader is essential in an organization so that it defines as well as directs the team towards corporate strengths and opportunities. Additionally, a leader can encourage and empower the employees for marching together to accomplish organizational pinnacles. Moreover, a leader has an ability to identify and bridge generational gap and develop competitive advantage in an organization. The study has summarized that an effectual leadership style is the strategic footstep for managing employees from different generations via behavioural style to develop cohort and collaborated approach that showcases competent corporate environment. Nevertheless, it completely depends upon a leader to extract virtuous qualities of the employees and mix the talents well.

### 1.1 Problem

In corporate world, business leaders are facing unique challenges based on multi-generational human capital. The study conducted by Forbes in 2016, reveals that current workforce comprises of age group from 18 to 80 years that is different to cohort multi-generational employees and work unitedly with employees from the different age groups.

The research paper has underlined one of the major concern faced by leaders to manage generation gaps and provide integrated operational culture. However, generations dissimilarities impacted working culture, expectations, values, communication style, working pattern, leadership style, technology, team dynamics, reward and recognition, etc. that varies from generation to generation. Conversely, hampers working relationships, lower productivity and increase turnover holistically on the organizational perspective. Hence, makes an employee disengaged from the organization. Considering dis-engaged employees from multi-generational manpower, the research piloted by Deloitte university press's global human capital trends 2017 stated that 51% of employee are not engaged within the teams.

## **1.2 Purpose**

The research paper reports the purpose, which examines the relationship between leadership styles and the multigenerational workforce within organizations. It analysis the suitable leadership for each generation through styles, theories and models. Additionally, the paper will conclude by investigating strategies on collaborating employees of different generations to enhance productivity and healthy environment within the organization.

## **2.1. Leadership**

Building a collaborative culture is the strategical phase towards business success. Moreover, the corporate dynamics is evolving in a faster pace which has developed diverse teams, divergent mind-sets and high technologies in order to enhance productivity. This has resulted the workforce combined of cross-cultural, multi-generational. However, it is the biggest challenge for the companies for working together. Thus, in this scenario leaders plays an important role in influencing the individuals for marching collectively. Leadership is not a new phenomenon, it is traditional and has broad valuable history behind it. So, there are various authors, scholars, researchers, psychologists who has described leadership. Following are some of the definition which gives different perspective on leadership.

Hersey and Dewey has defined “leadership is an art of influencing the task of an individual or a group in efforts towards accomplishing goal”. On the other hand, Senge gave different views on leadership, “it is an ability to generate the spark within individuals in order to generate new trends that are more adaptive in corporate world” Conversely, John Sculley explains that “leadership revolves around vision, ideas, direction, and has more to do with inspiring people as to direction and goal than with day to day implementation. However, Joanne Ciulla gave a different outlook of leadership, “it is not a position to acquire, it is moral relationship between people, based on trust, obligation, commitment, emotions and a shared vision of the company. Nevertheless, Batten specified that, “Leadership is a development of clear and complete system of expectations in order to identify evoke and use the strengths of all resources in the organization the most important of which is people”. Following is the table representation of the viewpoint of five authors: -

Authors					
	Hersey and Dewey	John Sculley	Joanne Ciulla	Batten	Senge
Emphasis on	Influencing individual	Task Influencer	Moral Values	Development	Change
	Achieving Goal	Achieving Goal	Relationship	Relationship	Adaptive to current scenario
		Direction	Vision		Direction
		Vision			

The above table illustrates different definitions of leadership, Hersey and Dewey emphasize that leadership should be based on influencing employees which leads towards accomplishment of organizational goal, whereas John Sculley has complimented Hersey and Dewey definition of leadership and added leadership should also include direction and vision, while Joanne Ciulla proposes about relationship between follower and a leader and shared a vision for the purpose. However, Wilks has combined the above three authors view and cited that leadership develops the stronger bond in the organization. Senge has

taken definition of leadership at next level by specifying change management, adaptive to the current trends and direction.

The above authors has highlighted as

- Leadership as good influencer
- Leadership as change
- Leadership as communication (service)
- Leadership as character
- Leadership as development

After examining various definitions, Leadership can be defined as, “Leadership is an art of coordination, directing, motivating, influencing people by inculcating character, effective communication and showcase the passion towards achieving goal.”

## **2.2. Leadership Styles**

There are many leadership styles such as autocratic leadership, democratic leadership, laissez faire leadership, situational leadership, transactional leadership, transformational leadership, team leadership, affiliative leadership, coaching style, etc. All these type of leadership is effective & important in their way. It's just matter of how a leader executes their style.

The style a leader adopts should be dependent on the following characteristics:

1. The nature of the task to be accomplished
2. The nature of the employees
3. The personality, attitudes and behaviours of the leader

Traditionally, leadership theoretical framework emphasizes on what leaders do, how they do it and what leadership is for. The concept leadership has been

misunderstood by several parties. Some people have a thought that leadership is about being at first or the most powerful.

McNamara (2008) recognized pioneer as somebody who sets bearing in an exertion and impacts individuals to take after such headings. Chemers (2002) has distinctive view about the meaning of leadership. The importance of initiative is given as the procedure of social impact in which one individual can cause the guide support of others in the achievement of a typical undertaking.

Crawford & Loh (2004) included that culture and leadership styles have significant impacts on people. This is on account of pioneers are the ones who sets the association, characterize its qualities and standards, and make and keep up a persona of what the association resembles (David and Ricky, 2006). Nonetheless, each definition has similitudes in some focuses. One might say that administration practices are one of the variables that may prompt the accomplishment of business. To continue driving in a testing domain, a pioneer must continue learning and exceptionally capable on their errands and subordinates. Duty of a pioneer isn't simple since it needs high responsibility in achieving the undertaking. There are few leadership styles which clarify below.

### **Autocratic leadership style**

This style of initiative consolidates of mandate and controlling. The leader will settle on all choices without counselling workers and will likewise manage representative parts. Micromanaging is a type of despotic authority in which upper administration controls even the littlest errands embraced by subordinates. Workers are relied upon to obey orders without accepting any clarifications. The inspiration condition is delivered by making an organized arrangement of prizes and disciplines. Leader utilizing absolutist autocratic style, right off the bat, depend on dangers and disciplines to impact representatives also, don't confide in workers and thirdly, don't consider worker input.

## **Democratic leadership style**

This style of leadership depends on representative cooperation and includes basic leadership by agreement and discussion. Participative or democratic style of a leader which regularly need to be one including their colleagues and companions with obligations and rights. Here a definitive choice is made by supervisor however workers can give a proposal, regions of changes on any point. The obligation or power is from both side and they chip away at groups. This sort of leader ask recommendations, provides guidance, persuades to the representatives and work in an entire group. According to McGregor Theory Y a supervisor blended with the workers, basic leadership ought to be from both the sides same majority rule pioneer carry on in the association.

## **Laissez-Faire Leadership**

Laissez-Faire leadership of the leader where representatives are allowed to work in any strategy yet in a given time allotment. This Laissez-Faire leadership requires broad correspondence by leader with workers. Representatives are in charge of overseeing themselves consistently under this leardership style. Laissez-Faire leadership may best be utilized when workers are taught, proficient, and self-roused. It is certifiably not a smart thought in circumstances where representatives feel uncertain about the leader absence of accessibility or the supervisor is utilizing the representatives to cover for his or her powerlessness to do his or her own particular work. This sort of circumstance can make disdain and result in an unfortunate workplace. As indicated by this leadership style supervision endeavours from management prompts poor execution of the representatives.

## **Transformational Leadership**

Transformational leadership is the one who have a reasonable vision and can express it successfully to others regularly describe this style of leadership. This sort

of pioneer will carry others into the basic leadership process and will permit everyone around them chance to learn and develop as people. It focusses on changing the identity or framework in the association. Transformational leader invest energy instructing their workers and gaining from them also. In organizations, as of late this style is refreshing as transformational sort of identity has joint in higher management.

### **Transactional Leadership**

This leadership style is portrayed by centralised control over workers. Leaders just concentration on the assignment. Workers under a transactional leadership are persuaded by the value-based pioneer's acclaim, reward, and guarantee. They may likewise be remedied by the leadership's negative criticism, dangers or disciplinary activity. The best leadership style is utilizing a blend of styles. These styles consider limited and rigid in light of the fact that it just spotlights on the outcomes. Mainly, it is frequently found in military and naval force foundation.

### **Coaching Leadership style**

Coaching leadership is a style in which the leader develops the representatives. In greater term the leader should prepare the representatives of the organization. Organization preparing is one of the pivotal perspectives for the execution of the organization. Along these lines, top and center level takes after this style of initiative. In a large portion of the organizations when representative doesn't perform well than it happens they decrease the pay or give cautioning the workers and so on. On the off chance that, the worker isn't performing great than they will prepare the representative or allot one guide. This makes the bond solid between the worker and the organization. Generally, they utilize instructing style in bring down and some in central oriented of workers.

## **2.3. Leadership theories**

While a wide range of leadership speculations have developed, most can be named one of four noteworthy composes:

### **a) Great Man Theories**

According to leadership perspective, incredible leaders are essentially conceived with the vital interior qualities, for example, mystique, certainty, knowledge, and social aptitudes that make them characteristic conceived leader. Great man speculations expect that the limit with regards to initiative is characteristic – that incredible pioneers are conceived, not made. These hypotheses regularly depict extraordinary leaders as courageous, mythic and bound to ascend to authority when required. The expression "great Man" was utilized in light of the fact that, at the time, authority was thought of principally as a male quality, particularly regarding military leadership. Such speculations recommend that individuals can't generally figure out how to end up solid pioneers. It's either something you are conceived with or conceived without. It is particularly a nature rather than sustain way to deal with clarifying initiative.

### **b) Trait Theories**

Comparable in some approaches to Great Man hypotheses, attribute speculations expect that individuals acquire certain characteristics and qualities that improve them suited to initiative. Attribute speculations frequently recognize a specific identity or conduct qualities shared by leaders. For instance, attributes like extroversion, fearlessness, and boldness are for the most part qualities that could possibly be connected to awesome pioneers.

In the event that specific attributes are key highlights of authority, at that point how would we clarify individuals who have those characteristics yet are not leader? This

inquiry is one of the troubles in utilizing quality speculations to clarify initiative. There are a lot of individuals who have the identity qualities related with initiative, yet a considerable lot of these individuals never search out places of authority. There are likewise individuals who do not have a portion of the key qualities regularly connected with compelling authority yet still exceed expectations at driving gatherings.

### c) Contingency Theories

Contingency speculations of leadership center around specific factors identified with the condition that may figure out which specific style of initiative is most appropriate for the circumstance. As indicated by this hypothesis, no administration style is best in all circumstances. Leader scientists White and Hodgson propose that really successful leadership isn't just about the characteristics of the pioneer, it is tied in with striking the correct harmony between practices, needs, and setting. Great leader can survey the necessities of their devotees, check out the circumstance, and after that modify their practices in like manner. Achievement relies upon various factors including the authority style, characteristics of the adherents and parts of the circumstance.

### d) Situational Theories

Situational hypotheses suggest that leaders pick the best game-plan in view of situational factors. Diverse styles of authority might be more fitting for specific kinds of basic leadership. For instance, in a circumstance where the pioneer is the most learned and experienced individual from a gathering, a dictator style may be generally suitable. In different occasions where aggregate individuals are gifted specialists, a majority rule style would be more successful.

## Multi-generational

The scene in the present work environment incorporates four unique ages, each with a particular arrangement of characterizing encounters and properties — the two qualities and impediments — that portray its general initiative and social effect. There are obviously singular special cases to and varieties from this huge picture demonstrate.

There are varying assessments on the birth years that characterize the ages; in any case, the dates given underneath mirror those distributed by Strauss and Howe, who introduce solid support and sociological importance for the reaches they refer to.



### a) Traditionalists

Traditionalists are born from 1928 to 1924 and they are the expected to be developed. The idea of the individual is to surrender forever time work with one manager (Stanley, 2010). They are referred as diligent employees and trust that diligent work will deliver rewards. They had a tendency to be awkward with change and tend to support order and control administration/authority styles. Their center qualities are lawfulness, regard for specialist, obligation, respect, devotion and

forfeit (Calhoun and Strasser 2005). Be that as it may, this age individual are impact by the strategies and traditions honed followed in the associations (Irvine 2010).

**b) Baby Boomers**

Baby boomers are known as 'work for survival' were born in the middle of 1946 and 1964. This age individual for the most part has created in the residency wherein individuals had secure occupations, access to great instruction, and so on. Their center qualities are positive thinking, self-awareness, wellbeing and health and association (Duchscher and Cowan 2004, Weingarten 2009). The people in this age tends to arrange things on long haul premise i.e. till retirement. They have confidence in solid excellence and direct towards working style.

**c) Generation X**

Generation X were the individual born in the vicinity of 1965 and 1980 into the changing system of improvement of social and monetary inside the nations. They are encompassed by rising emergencies, expanding divorce rates, high turnover, propel innovation and correspondence, profession openings and so on. This gathering of individual are centered around self-awareness, forcefully scrutinizing business as usual and expert and moment benefits, and so on. Their qualities are broaden considering, adjust individual and expert life, inherent innovation, investigating relaxation time, intendent choice taker, and so forth. (Gursory, Maier and Chi, 2008; Weingarten 2009). They are alluded as they don't wish to work in smaller and formal condition. In addition, they built up their diversion as calling (Irvine 2010).

**d) Generation Y**

Age Y were born in the vicinity of 1981 and 1999; otherwise called web Gen. This age is developed with propel innovation, advanced cells, web, computer games, and

so on. This age individuals have exceptionally impacted by innovation. They are typically expected as multitasker and participative in basic leadership process. Their esteem are certainty, collaboration, accomplishment, profound quality, road savvy and assorted variety (Duchscher and Cowan 2004, Calhoun and Strasser 2005). They would be advised to instruct and ethnically different than any of the past generational groups Weingarten (2009).

### e) Generation Z

This very various condition will measure up schools of the cutting edge the most differing ever. More elevated amounts of innovation will make critical advances in scholastics taking into consideration modified direction, information mining of understudy accounts to empower pinpoint diagnostics and remediation or quickened accomplishment openings. Gen Z children will grow up with an exceptionally complex media and personal computers' condition and will be more Internet canny and master than their Gen Y precursors.

Baby Boomers	Generation X	Generation Y	Generation Z
Challenges the rule	Change the rule	Create the rule	Customize the rule
Change = caution	Change opportunity	= Change improvement	Change = expected
Guarded communication	Hub and spoke communication	Collaborative communication	Face-to-face communication
Unilateral leadership	Coach leadership	Partner leadership	Teaching leadership
Horizontal problem-solving	Independent problem-solving	Collaborative problem-solving	Entrepreneurial problem-solving

This chapter emphasis on research methodology used for the study. This chapter consists of three sub sections; types of methods, choice of method and way, data collection.

In achieving the objectives of this research, the research paper is derived from two methods, first – literature review, second – methodology. Literature review includes secondary research that is journals, academic articles, report, newspaper, periodicals, case study, etc. whereas methodology is all about primary research which includes interview, survey, questionnaire, etc. The topic will be the mixture of qualitative as well as quantitative information with the ratio of 60% and 40% respectively. Secondary research will focus more on theories, concepts, authors viewpoint, current trends, etc. to find out multi-generational workforce, each generation characteristics and leadership theoretical framework. This will create a strong foundation for the objective of research. While, primary research will be conducted to showcase realistic hindrances faced by the company due to multi-generational workforce. Interviews were conducted in three multi-generational companies namely, GVK (Gunupati Venkata Krishna), HUL (Hindustan Unilever) and ACG Capsule. Moreover, in order to deliver employees viewpoint on leadership preference questionnaire was distributed to the employees of each generation. Sample size of the question is between 40 to 50 respondents for each generation. Further, the data will be collected, refined, analysed and evaluated with the help of diagrammatic representation such as pie charts, bar graphs, etc. The data purely emphasis on analysis of suitable leadership style to collaborate multi-generational workforce in 21<sup>st</sup> century.

### **Methods of data analysis**

There is method used to analyse qualitative and quantitative data. In order to analyse quantitative data, descriptive analysis method was conducted

#### **a) Descriptive analysis**

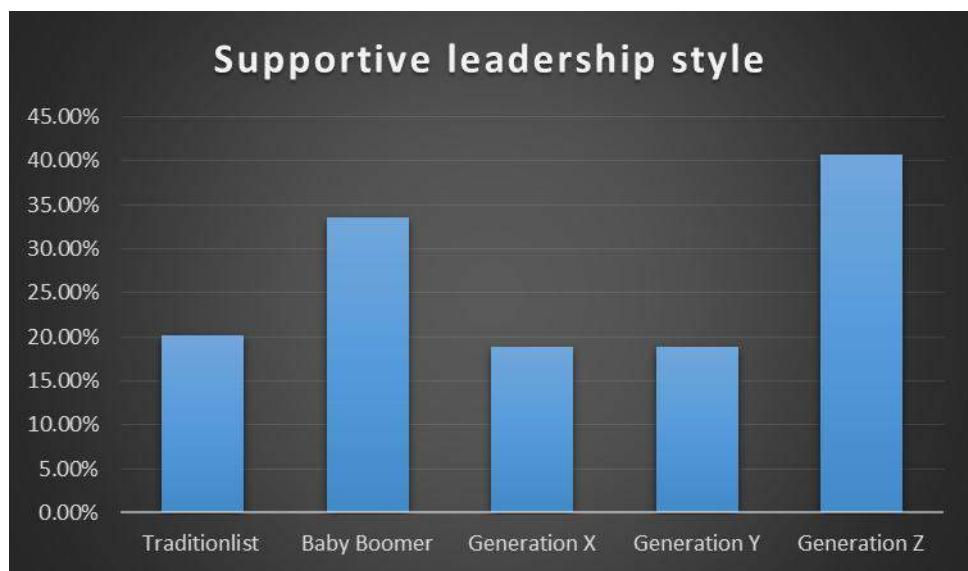
Descriptive analysis is used to describe the basic data features in a study, it provides a summary on the samples, measures the data with simple graphical analysis (Baha, 2016). However, author argued that if the interpretation is conducted effectively than, the analysed data can deliver useful insights that results in formation of the topic.

## Finding and interpretation

This chapter describes the results from the research conducted and also analysed the collected data. It also contributes about the researcher expectation from primary and secondary resources. Furthermore, the data will be represented in form of figures, and the questionnaire is attached in Appendix 1 for reference.

## Data presentation

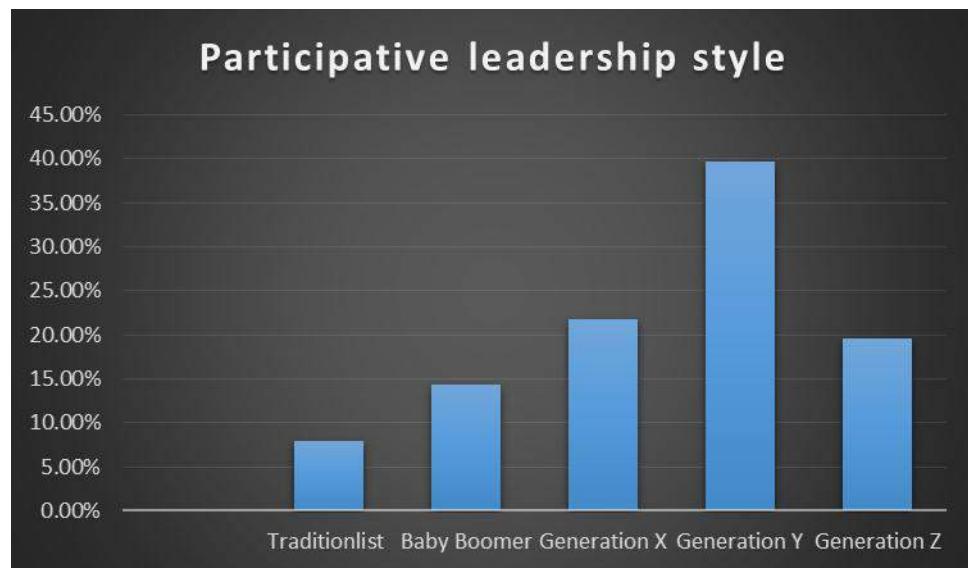
In this section, the findings of all the methods will be represented in forms of figures and tables.





## Discussions

First part of research is to jot down challenges occurs while managing multi-generations



workforce.

After reviewing the interview, it can examine that there are common problems raised in managing multi-generational workforce.

First, managing Communication within the employees. Openness is of the utmost importance for any workforce. As reflected in questionnaire generations Y preferred communicating through instant text while generations X lean towards calls and messages. It is difficult to communicate effectively as there are values, working pattern are distinct from one another.

Second, motivating the employees. It can be found that each generation has different motive to work in the organization. Some work for career growth and some work for monetary aspects. In case if they are not motivated and satisfied within the work culture than it might decrease their productivity. Hence, it is necessary to understand the motivating style in order to accomplish objectives.

Third, negative stereotypes on the generations. It can examine that negative stereotype is the one of the major concern for cohesive working environment. For example: in case 3, it is assumed that baby boomers dominate the generation Y and Z. There are lot of myth on generations such as generation Y are lazy, generation Z does not prefer traditional working pattern, traditionalist is rigid etc. which might be not true in reality. As a leader, it's dependent upon you to move your group past the names.

Fourth, balancing Strengths and Weaknesses within the teams. At long last, every age conveys their own particular one of a kind attributes to the workforce. Those distinctions should to be grasped to enable organizations to get the most out of their groups. It can be observed in the cases, leaders see the holes between their colleagues as negatives.

Above are the major challenges faced by the companies in managing the human capital. However, all these hindrances can be managed via effective leadership. A leader is the one who can manage the workforce effectively by implementing correct leadership style at right situation. A leader can influence the employees and manage collaborative teams.

The second part of the research is to understand which leadership style is effective to management each generation.

In total 200 primary research on leadership styles were derived from the questionnaire. The questions have then been categorized and labelled into four clusters based on the path goal theory used in this study, consisting of directive, supportive, participative and achievement – situation leadership model.

In the above table the ranking of the preferences of the five generations for the four leadership styles is presented. The supportive leadership style is the most preferred (Y: 37.7%; X: 49.3%; Z: 43.9%) and directive leadership the least (Y: 11.9%; X: 13.4%; B: 17.4%) by all generations. But in second and third place there are some deviations between the preferences of people from the three generations. Both people from generation Y

(26.1%) and X (20.9%) prefer the achievement - oriented leadership style second most, where people from the Babyboom generation rank this leadership style as third (18.9%) and place participative (19.7%) in second place of most preferred leadership style.

### **Directive leadership style**

As appeared in above, contrasted with the five other leadership styles, all ages are the least attractive to the directive style. From the five generations, the general population from the generation Z lean toward this kind of authority the most (40.7%). In second place generation X inclines toward this leadership style the most (31.4%) and individuals from generation baby boomers, traditionalist discover this leadership style the minimum appealing (27.9%) contrasted with the other two generations. The directive leadership style has an aggregate of 4 questions

### **Supportive leadership style**

From the four leadership styles in this examination, all generations incline toward the strong supportive style the most. Individuals from generation Y and X lean toward this sort of leadership the most (37.7%), trailed by age Babyboom (33.5%) and least by traditionalist (20.2%). Individuals from age Y lean toward steady leadership style the slightest (28.8%) contrasted with individuals from the Babyboom and X generation. Supportive leadership has an aggregate of four questions.

### **Participative leadership style**

People from generation Y favour the participative leadership style the most (40.2%), trailed by generation Babyboom (32.6%) and least by traditionalist. Individuals from generation X incline toward this leadership style the slightest contrasted with individuals from age X, Y and Babyboom. Participative leadership has a sum of four questions.

### **Achievement situated administration style**

Achievement-oriented leadership style is most favoured by the general population from generation Y (39.6%), second by the general population from the X generation (31.7%) and

individuals from generation Babyboom and traditionalist incline toward this leadership style the slightest (28.7%). Accomplishment arranged initiative has an aggregate of four questions.

	Baby boomer	Generation X	Generation Y	Generation Z
Directive				
Supportive				
Participative				
Achievement				

Note: - The characteristics of leadership styles and the desire leader of each generation are matching with the each other. For example: Generation Y are career oriented people and achievement leadership style will compliment the generations by encourage it.

As a result, it can be examined that directive leadership style is the most accurate for generation Z, supportive leadership style is effective for generation X, Participative leadership style is favoured most by generation baby boomer, achievement leadership style is effective for generation Y. However, traditionalist showcase least among all the generations because most of them are already on leadership for the employees. In those case, traditionalist preferred flassiz fair style as they are on the board and designing leadership for the rest of the human capital.

## CONCLUSION

To conclude, after analysing and evaluating the results, it is evident that managing multi-generations workforce is a challenging role for the leader. Consequently, there is gap between generations gap as it is clearly identified from the three case studies.

In order to accomplish aim, there were two objectives of this study as mentioned earlier. After examining the objectives, literature review provides the information is purely based on secondary sources which consists of theories, concepts, practices, viewpoint of authors, debates, etc. by the industry experts. As a result, created a foundation on leader to manage cross-cultural generations. However, it challenges to integrate teams among the employees.

Considering primary research, it provides the realistic approach on different forms of leadership and employee perspective towards leader. While, each approach contributes towards the holistic view on the engaging employees within the collaborate teams. However, research has proven that the management needs better understanding leadership styles in order to provide cohesive teams.

Psychology plays a vital role in engaging the staff and leader will influence employees via understanding the psychology of the employee.

After the analysis of the questionnaire, the management should understand the what employee desire to have leader and integrate in their working pattern based on the employment type. Thus, HR should identify leaders within the organization and broaden their vision in diverse workforce. This will be the first step towards sustainability of workforce.

Lastly, the multigenerational "5G" workforce carries with it a wide assortment of difficulties and openings. HR and leader's experts must lead the pack to enable associations to defeat potential difficulties in the event that they ever plan to use the full decent variety of the cutting edge workforce. Representatives of any generations should be comprehended the states of mind and inclinations of the distinctive ages, and leader should work to encourage better correspondence between the generations to maintain a strategic distance from potential clash. Comprehension and correspondence can help limit any apparent generational holes and concentrate workers on their common qualities and desires. organization that work proactively to address the diverse generations will receive the rewards, while those that overlook the effect of the multigenerational workforce hazard losing in the war for talent.

For leader to develop multi-generational workforce into a collaborative workforce, it is essential to center time and assets to the techniques which matter most. The systems featured in this investigation i.e. contributing on multi-generational workforce, advancing incorporated workforce, profession advancement, ability leadership techniques, improving innovative know-how and viable strategies for assessment are key territories for leaders

and directors out in the open associations to center around keeping in mind the end goal to lessen strain and fit contrasts in introduce multi-generational workforce.

## **RECOMMENDATION**

There have been distinguished couple of various leadership strategies, which may lessen age holes by interfacing and holding individuals with various foundations.

- a) Firstly, the leader ought to keep away from legends and generalizations; there is a contrast between regarding contrasts of people and naming them. Also, these age impartial mentalities of bosses will shape the air of the entire workplace.
- b) Increasing correspondence, and additionally promising connection and cooperation among the representatives are huge elements, which eventually will affect settling the conceivable clashes. Open correspondence will likewise envision and surface the conceivable generational clashes, previously they become too enormous.
- c) By making different work groups, the chief can maintain a strategic distance from age pools and exchange thoughts and information over the entire association. Coaching and turn around tutoring are magnificent approaches to share learning cross-generational. Not exclusively will it exchange the profitable implied learning from Boomers, however it will likewise unite individuals.
- d) Remaining adaptable. Understanding the necessities of various ages and offering the correct projects and advantages to holding them. (Whitacre 2007; Kyles 2005; Greencard 2011; Zemke et al. 2000.)

Overseeing multigenerational workforce successfully implies that leadership know how to manage every worker in various circumstances, and also having an exhaustive comprehension of the workforce needs and needs. At the end of the day, their initiative style should be situationally changed. Normally it considers the generational status of the individual, at the end of the day is about those abilities and experience of that specific person, which decide the individual's desires and level of help s/he needs.

Be that as it may, there might now and then happen intergenerational issues and clashes, however chiefs would attempt their best to keep away from them. In those events, it is imperative the chief to remain unprejudiced. The key issues they feature incorporate great tuning in of the two gatherings, sympathizing, contributing the two sides into the arrangement. It is additionally fundamental to consider generational elements, which may impact the circumstance, for example, qualities and specialized techniques. (Op.cit. pp.226-230.)

# EFFECTS OF EMERGING TRENDS OF ACCOUNTING IN INDIA

**Pooja Goel**, Research Scholar  
Mewar University, Chittorgarh  
Email: [poojagoel13@gmail.com](mailto:poojagoel13@gmail.com)

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## ABSTRACT

The practices of Management Accounting have been emerging since 1980s. This paper emerges the Trends of Management Accounting. With global financial crisis in the recent past and a number of businesses expanding on a daily basis, the presence of a strong accounting system is the need for any business. Management Accounting encompasses a wide range of activities, practices, and concepts with accounting professionals acting in various capacities. Management accounting give business leaders the tools to measure and increase profit margins while lowering operating expenses. Accounting professionals need mastery with these. Many accounting and bookkeeping firms are embracing the trends in accounting in order to reshape their business and simplify their work to a great extent. In this paper discussing about the most recent trends that impact accounting. They include cloud accounting (data storage to connectivity and reducing business costs), automation, social media strategy (online-business), Collaborative Accounting, Outsourcing. Management accounting gives an idea about information from operations to produce reports that provide ongoing insight into business performance, such as profit margin and labour utilization, so managers have data-driven input to make everyday decisions. Businesses can leverage this powerful trove of calculations to improve decision-making over time for higher profitability and greater competitive advantage. Hence, in their efforts to understand how and why accountants make decisions as well as the impact of these decisions, accounting researchers need to rely on a broad set of theoretical and methodological tools and techniques that are drawn from various disciplines. Finance people are increasingly involved with creating and monitoring performance measurements. Their task should not be about what can be measured but what should be measured. Business world is constantly changing and to remain relevant (and

stay in business), accountants need to be two steps ahead. Identifying the more future emerging trends that can shape the business and help to have one step towards ensuring growth and success. They can be Gig Economy (impacted by millennial that is people having temporary jobs or doing separate pieces of work, each paid separately, rather than working for an employer. Success in the gig economy comes from a balance between viability and vitality), Global Tax System (Tax competition is fundamentally driven by government wanting to attract economic activity to their jurisdiction), Artificial intelligence (improve compliance work so accountants can focus more on revenue-generating), Data Security. Management Accounting has become an integral part. It not only Increase Efficiency of the management but it also increases the efficiency of the employees, hence, emphasizing the emerging issues and current trends.

## INTRODUCTION

Accounting plays a key role in the functioning of any business. With global financial crisis in the recent past and a number of businesses expanding on a daily basis, the presence of a strong accounting system is the need for any business. Over the years there have been a number of changes in the way accounting is carried out. Many accounting and bookkeeping firms are embracing the trends in accounting in order to reshape their business and simplify their work to a great extent. In this paper, discussing about the most recent emerging trends that impact the productivity and growth of business.

We've come from a long way from manual bookkeeping to automation and cloud accounting. Most people are also outsourcing their accounting needs in order to completely focus on the task at hand and generating new business. Use of social media to create a presence for their business online, and reach a wider audience is equally important these days. Beside, these trends the driving disruption of the accounting industry is imminent. Automated processes can provide the bulk of services with oversight, while accounting professionals will focus on offering expert advice and insight, strengthening customer relationships in the process. In contrast, modern automation software cuts costs, increases efficiency and handles more processing volume

with less error. Accountant guides and advises management at every step as these accounting practices not only increase efficiency of the business but it also increases the efficiency of the employees.

## **Traditional Accounting Practices**

The traditional system of an accounting method that is used to predict profits. This method uses cause-and-effect techniques and takes into account direct and indirect costs and expenses in a business. Traditional accounting practices track business performance based on long-established standards and systems. While accounting practices should be a close function of the business they measure, they sometimes fail to respond quickly to the changing business environment.

Traditional accounting practices remain useful for businesses that offer a narrow range of products or services and do not require custom designs. Traditional accounting practices focus on cost reporting and fixed-asset utilization to reflect the many essential traits of conventional businesses, such as incremental labour and machine usage. In a traditional mass production, the better the business performance as measured by increased product or service sales, the more demand on labour usage and asset investment. Thus, increases shown in accounting records on labour costs and asset value indicate improved business performance. Over time, traditional accounting practices need to adjust to match changing characteristics of the business they measure. Problems with traditional accounting practices include inaccurate and ineffective performance measurement on businesses operating in non-conventional ways.

### **PROBLEMS OF TRADITIONAL ACCOUNTING PRACTICES**

- Traditional accounting information is out-dated
- Traditional accounting takes too long
- Traditional accounting invites errors
- Traditional accounting requires manual sorting

- Traditional accounting means missed opportunities
- Accounting Measurement Problems
- **Changing Accounting Practices**

## **The Emerging Trends of Accounting**

With the advent of new technologies and innovations around the world, the global economic environment continues to evolve and thrive. Change, therefore, becomes the new constant. As change becomes a necessity for growth, organizations that continue to reshape their business processes and business model need to also be aware of the latest accounting trends. Accounting is an important element of the business process since a well-run accounting function can provide timely, accurate and relevant information for decision making. The following are some of the emerging accounting trends:

### **1. Cloud Accounting**

Most businesses depend on cloud for various operations from data storage to connectivity and reducing the business costs. An emerging accounting trend, the Cloud today is being increasingly used to work and enable easy access to world-class infrastructure without the need to spend huge amounts of money on it. Cloud accounting also paves the way for improved collaboration with team members and a better overview of the business' finances. Cloud Accounting requires a software that runs on servers and connectivity to the internet. The advantages of cloud accounting include -

- It enables use of cloud-based software from any device using any internet connection.
- Cloud accounting allows small business owners to stay connected with accountant as well as data.

- Cloud software can be integrated with a wide number of add-on.
- It removes the necessity to run applications over a desktop.
- Using cloud is a secure way to protect a business' intellectual property in case of loss of physical assets such as laptops (unless the login credentials to the online account are available).

## 2. Automation

Automation of accounting is a trend that can save businesses a great amount of time when it comes to accounting. It is slowly eliminating the need for manual data entry and saving businesses a great amount of production hours. Automation in accounting is intended to reduce the burden of manual bookkeeping and accounting, and use that time to deal with actual real time accounting issues. Although automation and accounting software may seem like a threat for accountants, they aren't going to replace accountants in the near future. Automating accounting is extremely beneficial for entrepreneurs and small business owners.

In addition to automation in accounting, automating their marketing solutions is also trending today. The tools available make it easier to take advantage of existing client information in a cost-effective way, to benefit both the accounting firms as well as their customers. From sending newsletters with marketing content to videos, articles, and much more, everything is automated. Apart from simplifying the work process, automating marketing also provides for increased business and referrals, and decreases loss of valuable time.

## 3. Social Media Strategy

Most businesses use social media to create a presence for their business online, and reach a wider audience. Using social media strategy for accounting is also gaining popularity this year as business owners are becoming more active on social media. This trend in accounting is not just beneficial for accounting firms

but also for the clients who are able to gather information themselves, which provides clarity when it comes to choosing the services provided by an accounting firm. There are many benefits of using social media for accounting, they include -

- No cost on usage.
- Communicating with millions of people.
- Increased business exposure and visibility.
- Increased website traffic.
- Providing insight in areas of accounting expertise.

#### **4. Collaborative Accounting**

Accounting is not just seeing trends in software and automation, but also in terms of collaborating with their clients. Collaborative accounting may not be a new term at all, although a new breed in collaborative accounting involves using the internet and trending technology to work together in real-time regardless of their location. For example: CPA can view information of their clients' transactions and make changes where ever necessary using cloud software and communicate the same using instant chat platforms such as Slack and Hip Chat.

Collaborative accounting is the future of accounting. It doesn't necessarily occur only between clients and CPA, it applies to a plethora of services available today. A sale could be made by a sales person sitting at a different location using a mobile device and issues related to the same could be resolved by a manager at a different location. All that needs to be incorporated is the technology required, tools, and portals in order to carry out smooth flow information between the collaborators.

#### **5. Outsourcing**

One of the biggest trends in accounting is outsourcing finance and accounting services. Outsourcing accounting most importantly enables businesses focus on their primary business rather than building an accounting department. Outsourcing accounting services can help businesses cut down costs, and also reduce risk of

fraud and provide access to the services of dedicated professionals in the field. Read further to learn more about the advantages of outsourcing accounting services -

- Access to a team of experts in accounting.
- Collaborative accounting has a number of benefits.
- Stability of business.
- Access to top systems.
- Enough time to focus on growth and expansion of business.
- Keeping an eye on your cash flow

### **Trends Driving Disruption in The Accounting Industry:**

Sweeping disruption of the accounting industry is imminent. Massive technological change and shifting consumer trends demand a new approach to how the industry creates value for clients. Some services are more vulnerable to disruption than others. For example, basic transactional accounting services have already been largely automated (though adoption has varied significantly across types of small businesses). Compliance will be increasingly automated going forward, and limited advisory services will follow that trend. Automated processes can provide the bulk of services with oversight, while accounting professionals will focus on offering expert advice and insight, strengthening customer relationships in the process. Here are five trends influencing the future of accounting:

#### **1) Big Data and Internet of Things (IoT)**

New technologies based on big data, business intelligence, analytics and the Internet of things (IoT) are reaching into every area of business life. An often quoted statistic, although not entirely provable, says that the data available today was created in the past 24 months. This "big data" gives business leaders unprecedented amounts of information and the analytical tools for improved decision-making.

In turn, financial adviser and accounting professionals will use the same tools to move from data entry, record-keeping and simple analysis to strategic business consultancy. The days of Microsoft Excel as the primary analytics program are fast coming to a close. Today, financial controllers and CFO use structured data, unstructured data, and predictive analytics to access massive banks of customer information, financial trends and industry information to make insightful forecasts for clients.

## **2) Mobile Computing**

About 80 percent of Indian adults owned a smartphone in 2017. Despite the ubiquity of mobile devices, their vast number and the wide variety of platforms remain a challenge. Accounting services providers must evaluate which mobile devices their clients typically use, and offer high-quality apps on those platforms. As businesses and consumers increasingly use mobile devices to access their data and the Internet, accounting services are changing to meet the demand. For instance, busy small-business operators want to maintain bookkeeping, recording expenses, managing accounts and tracking financial data. Accounting software vendors are responding to this shift by creating online portals and apps that are specifically built for mobile devices. They offer military-level security encryption, messaging systems, and other value-added features. Accounting services will engage with clients and offer them updates and advice in the form of bite-sized chunks of information suitable for small mobile screens. The goal is to help them stay on top of their business on-the-go.

## **3) Connection Convergence**

As broadband and high-speed Internet continues to permeate household and business locations, the ability for bookkeepers, controllers and CPA to have high-speed, two-way conversations with clients via video streaming becomes more realistic. TV and broadband services will continue to converge. Although there are current services like Skype, Google-Duo, WhatsApp video calling that offer face-to-face interaction, they are nothing like the picture-perfect, high-definition transmissions available in the near future. This trend will help accelerate the internationalization of the industry — bookkeeping services companies will be able to service clients around the globe as well as around the corner, potentially in the same meeting.

These changes are forcing the accounting industry to estimate what value they can add to their customers' accounting processes. A positive prediction is that machines and robotic automation will enhance the value of services, not detract from it. Basic services can be delivered more efficiently, allowing accountants to have more time to discuss their clients' current situation and future needs.

#### **4) The Future Is Now**

Perhaps the most dramatic example of fast-moving changes in the accounting industry is the massive shift to data entry automation for bookkeeping and accounting. Prior to the rise of data entry automation only a few years ago, a Pay-stream Advisers report revealed that 84 percent of invoices began the processing cycles as a fax, paper document or email attachment. These had to be converted into enterprise resource planning system (ERP) formats. In contrast, modern automation software cuts costs, increases efficiency and handles more processing volume with less error.

#### **5) Customization and Personalization**

Consumers are used to buying goods and services customized to their liking. You only need to watch each customer at a Starbucks counter rattle off their favorite drink order with exacting detail to see this in action. Business owners and managers want the same ability to personalize their buying experience from their service providers. The key is to offer clients a standardized menu of products and services, while having the ability to customize the process for individual clients. This is done by taking advantage of work-flow technology and incorporating software to build scale and create efficient service delivery. Accounting services and advisers can build value on that solid base by offering deeper insight, more detailed analysis and a closer working relationship than would otherwise be possible without the support of innovative technology.

#### **Top Seven Emerging Trends of Accounting:**

The landscape is constantly changing and to remain relevant (and stay in business), accountants need to be two steps ahead. Identifying trends that will shape the industry in 2018 is one step towards ensuring growth and success. Let's take a look:

### **1) Rise Of The Gig Economy**

“Gigging” has been on the rise for several years now. In a survey conducted by Adobe, one-third of a thousand office workers in the United States was found to have a second job while more than half (56%) foresaw that they will have multiple jobs in the future. In the same survey, 81% of traditional workers expressed willingness to do additional work outside their primary job if available. The gig economy is seen to be impacted mainly by millennial. Consequently, its rise will also bolster automation and artificial intelligence. Furthermore, it will have a significant impact on HR.

Hiring talents will have lower costs and increase competition for talent. This will also pave the way for the evolution of traditional workers’ career paths. Instead of focusing on career development, workers are going to put more attention on temporary jobs that are focused on skill development. Because of the prevalence of virtual reality, in-office and remote workers will connect like never before. This should positively impact collaboration of teams situated in different parts of the globe. Organizations are also expected to help make gigging more agile and responsive to the market. The rise of the gig economy paves the way for creation of new job descriptions since, previously, freelancing is only for creatives while contracting is for IT-related jobs.

### **2) Changes In The Global Tax Systems**

Australia transitioned to a digital tax system years ago but the rest of the world took a long time to catch up. The United Kingdom is slated to make the move in 2018 (or 2019) while the India is getting ready for changes in their Public finance tax systems. These will affect estate tax, retirement savings and personal exemptions, among others. Such changes will trigger a shift in the way in which accountants do business. Accountants need to stay abreast with updates and educate themselves on new legislation. Doing so will put clients at ease with the fact that their financial advisers know what they’re doing; that they can offer more value.

### **3) Artificial Intelligence**

Artificial intelligence will play an important role in the accounting industry in 2018. It is believed to dramatically alter the profession and the skill set required to become successful. Artificial intelligence will help accountants become more strategic advisers. The convenience

offered by technology will make financial decisions easier because accountants can now sift through tons of data quickly and accurately. As a result, financial advisers can make better recommendations to their clients. Artificial intelligence should improve compliance work and free up time so accountants can focus more on revenue-generating, client-facing tasks..

#### **4) DIY Software Will Be Easier To Use**

Many small business owners said that accounting tasks are their least favourite part of running a business. The thing is, one mistake can be costly. And since accounting can be very tedious and time-consuming, it can lead to missed opportunities. Thanks to technology, a number of accounting tasks can now be automated. These tools, mostly do-it-yourself solutions, make an accountant's job easier. Such tools allow accountants to deviate from being bogged down by compliance work and, instead, develop their customer-facing advisory skills.

#### **5) Importance Of Data Security**

Data security must be a priority for accountants because they are constantly targets of security breach, therefore it will definitely take centre stage in 2018. The ways by which one can remain in business by improving client experience and part of offering a good client experience is giving them peace of mind, which is a result of them feeling assured that their financial information is safe. Accountants need to invest in trusted security software because that can become a key differential for current and potential clients.

Have a dedicated computer for business purposes. This eliminates the risk of getting infected by malware from entrusted websites. Random surfing and accessing certain web pages can make you susceptible to data hacks, and these usually happen when you're doing non-work related tasks. Once you have a computer used solely for business, do not let anyone use that for social media or any other activities not related to your clients. There are some more points that can be considered:

- Do not open emails from untrusted sources. Certain emails contain clickable links that can infect your computer with malware. Never click links from emails that have nothing to do with your work.

- Always check your bank balance for unauthorized transactions. Make it a point to reconcile bank balances on a regular basis and review the transactions clearing your bank.
- Update operating systems, software and programs you are using. Outdated programs are prone to data hacks because they may lack the latest security features essential in keeping your data secure. Make sure everything is up to date, from antivirus to browsers to third party programs like Java, Quick-time, Flash, etc. Use tools that can scan your computer and offer updates.
- Be careful when connecting to wireless access points. Do not connect to wifi sources when in public places, because they are not guaranteed secure and can make you susceptible to attacks.

## **6) Rise Of Millennial Clients**

From 2018 onwards, more millennial clients are expected to arrive because many of them will become tax-paying adults. The rise of millennial clients means that they are going to expect more. More transparency, more pro-activeness, etc. Accountants that still use old management systems will experience difficulties obtaining and keeping millennial clients. This new roster of clients will want a more personalised approach. Younger clients expect accountants to really guide them in their finances.

According to data from the 2017 Millennial Business Owner Accounting Firm Survey, which polled more than 1000 business owners, almost one-third of millennial business owners run companies that earn \$1.1 million to more than \$25 million annually. This numeric digit only show that millennial clients need and can afford accounting services. Accountants need to target this new generation of business owners. Accounting firms can future-proof their business by targeting this generation of business owners. In short, accountants need to move beyond tax services and diversify services as well as utilize the proper technology to gain competitive edge.

## **7) Changes In Client Services**

Technology, relationships and innovative solutions make up for a positive client experience. From 2018 onwards, accountants are expected to optimize their processes to meet the following expectations:

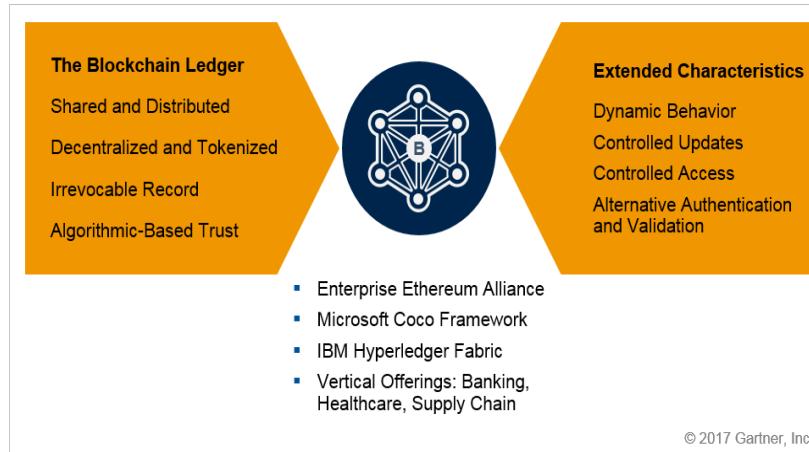
- Use of digital portals to easily communicate with accountants and easily access information using a mobile device.
- Timely responses to inquiries.
- Adoption of current technological trends.
- Better relations with clients.
- Innovative solutions to complex problems

### **The Future Accounting Industry Trends:**

Generating expense reports and invoices, creating billing reports, filing tax documents, and monitoring constant changes in banking and finance compliance standards such as Sarbanes Oxley and GAAP (generally accepted accounting principles) are just some of the unique business challenges that accountants and finance managers must deal with. However, there is some cutting edge technology on the horizon that will help small businesses meet these accounting challenges over the next couple of years. Discussing the latest accounting emerging trends, as how the latest technology could impact the future of near business, and tell how to prepare.

#### **1. Blockchain Will Streamline Key Accounting Functions:**

Blockchain is “A type of distributed ledger in which value exchange transactions (in Bitcoin or other token) are sequentially grouped into blocks. Each block is chained to the previous block and immutably recorded across a peer-to-peer network, using Cryptographic trust and assurance mechanisms. Depending on the implementation, transactions can include programmable behavior.” In other words, blockchain is a public ledger that executes value-based transactions through cryptography, thus eliminating the need for any third-party authentication. Transactions do not only refer to monetary transactions, but also include taxes, votes, property, confidential documents, and more.



*Image from: “[Top 10 Strategic Technology Trends for 2018](#)”*

The image above highlights the key characteristics of blockchain on the left, along with functionalities of blockchain on the right. At the center of the image are some examples of blockchain frameworks developed by Microsoft and IBM, along with their industrial applications.

### **Blockchain Will Help Accountants And Finance Managers**

Blockchain will enable accountants to track financial transactions within a supply chain from manufacturing and transportation to the end consumer. This development will redefine how accounting software is designed to include more parameters related to bitcoin transactions, rather than cash-flow or debit/credit card transactions alone. Accountants and finance managers can use blockchain technology to tackle the following business challenges:

- **Automated audit work-flows:** Financial transactions are stored in blocks of information, which means traceable audits can automate the entire audit process, reducing paperwork and manual data entry.
- **Reduction of fraud:** Each block is authenticated by users, which can help in tracking asset ownership.
- **Streamlined invoicing:** Blockchain will allow accountants for small businesses to generate smart receipts to facilitate e-invoicing, simplifying and enhancing accounting document management, and allowing accountants to trace invoices in a supply chain.

Many people think bitcoin is synonymous with blockchain, though this is not entirely accurate. Bitcoin is just one example of a cryptocurrency that uses blockchain technology for distributed ledger transactions that are authenticated by multiple users without risking financial security. Bitcoin represents a paradigm shift for accountants at small and midsize businesses (SMBs), since it redefines transactions based on bookkeeping to digitally linked blocks that contain financial information. In the past decade, digital cryptographic currencies have quadrupled to include a huge market capitalization of more than \$43 billion as seen the table below:

Rank	Name	US\$ Market Cap	US\$ Price	Circulating Supply
1	Bitcoin	43,630,891,619	2660.98	16,396,550 BTC
2	Ethereum	34,736,739,597	375.25	92,569,593 ETH
3	Ripple	10,215,346,626	0.266787	38,290,271,363 XRP
4	Litecoin	2,428,105,598	47.06	51,592,007 LTC
5	Ethereum Classic	1,950,098,114	21.04	92,694,964 ETC
6	NEM	1,848,834,000	0.205426	8,999,999,999 XEM
7	Dash	1,295,180,283	175.78	7,368,399 DASH
8	IOTA	1,177,470,178	0.423622	2,779,530,283 MIOTA
9	BitShares	888,444,894	0.342215	2,596,160,000 BTS
10	Stratis	766,295,675	7.79	98,428,282 STRAT

The top 10 Crypto-Currencies based on market capitalization value in ascending order

(Source: World Economic Forum Report, “Realizing the Potential of Blockchain”)

## **2. Edge Computing Will Be A Cost Effective Alternative To The Cloud**

In the last two to three years, cloud computing has been one of the top trends in the accounting industry. However, over the next five years, cloud computing will be complemented by edge computing. This is due to the increased communication between IoT devices, along with the interconnected users, places, and processes, which make up the “intelligent digital mesh.” Edge computing is a scalable form of computing that generates, collects, and analyzes data at the site of the data generation—not at a centralized location, e.g., a data center.

### **Edge Computing Help Accountants And Finance Managers:**

Edge computing allows accountants and finance managers to host accounting software on a “local server,” meaning the server architecture is located closer to the data transactions than

in cloud computing to reduce the volume of data sent in a wide area network (WAN). Edge computing can help users redistribute accounting functions based on high volume of demand for payroll management or tax compliance. For example, if one business is spread across locations, and in one location there is more demand for payroll management rather than tax compliance, then one should host the set of payroll software application next to those business centers. Benefits of edge computing include:

- **Cost savings and increased efficiency.** High traffic volume between an accounting application and a data center can lead to increased time for executing audits and other accounting tasks. With edge computing, the data execution is located locally, or nearby the user's business, which reduces WAN bandwidth, thus reducing costs and increasing efficiency.
- **Client work-flow management.** With edge computing, client relationships can be maintained by storing clients' financial details in the cloud. This enables a collaborative framework to improve work-flows with clients, since they can view their account details more easily.

When the accounting industry mostly relied on hard drive and paper-based work-flow management, on-boarding new clients—along with their data—was a key challenge. Edge computing hosts accounting software closer to a business's analytic frameworks to reduce paperwork, making it easier for businesses to increase scope, as cloud-based accounting firms are five times likely to add more clients than traditional firms. It's important to note that most accounting software vendors have not yet deployed their accounting software with edge computing capabilities. However, edge computing will help streamline the cost of accounting software, as it will model pricing based on usage as compared to the site license model seen in legacy accounting software deployments.

### **3. Machine Learning Will Increase Automation of Accounting Tasks:**

A key business challenge that many accountants and finance managers face is data entry of records to maintain account ledgers and manage billing and tax filing activities. Most accounting software can automate data entry and other redundant tasks to some degree, but

this automation is often not complex and will be improved further. This is where artificial intelligence (AI), with the help of machine learning, comes in.

### **Machine Learning Will Help Accountants and Finance Managers**

According to ICAEW's 2017 "Artificial intelligence and the future of accountancy" report, accountants can use machine learning to improve accuracy and speed when entering data, through automation, better detection of fraud, and enhanced predictive analytics. The following are some more benefits that machine learning will offer to accountants and finance managers:

- **Faster Expense Auditing.** With the help of machine learning, accounting software can learn a company's expense policies, read billing and invoice information, and audit and approve expense claims based on established standards. This technology also allows for automated bulk expense reporting.
- **Simplified Payment Processing.** AI can help accountants analyze bulk invoices by automatically matching payment amounts with outstanding invoices. Accountants spend a lot of time managing accounts receivable and processing payments. Sorting through invoices is tedious, especially because customers will often combine multiple invoices into one payment, and historically, those payment amounts had to be matched with an invoice number manually.
- **Lowered Financial Risks.** Machine learning can help accountants identify potential financial risks by mapping expense reports and audits from your accounts project library and matching it to a current accounts project. Such a financial risk assessment by smart machines provides a comprehensive assessment that can be done in hours instead of the days it would take to do manually.

### **How to Prepare For The Latest Accounting Industry Trends**

An important note about these trends is that they are still in their development stages, and will bring more business opportunities for accountants and finance managers within the next five years. Here are some other key takeaways to keep in mind ahead toward leveraging these latest accounting trends:

- **Educate And Invest In Training For Accounting Staff On The Basic Concepts Of Blockchain, Machine Learning, And Edge Computing.** This does not mean that one can be shift to a developer role to create own machine learning-based accounting application. However, technology trends constantly change the industry landscape, and the rate of change has only increased in the past five years. Learn more about upcoming accounting trends by checking out our infographic on the future of accounting software.
- **Look Into Custom Designed Solutions That Use Machine Learning Technology.** To keep the business on the cutting edge of these accounting industry trends, consider hiring developers with machine learning experience to design customized solutions for the payroll or finance department. A freelance machine learning coder can design an algorithm that reads text from invoices and automatically enters the information in predefined data fields.
- **Assess The Requirements For Placing Accounting Applications Or Data On The Cloud Or Edge Computing.** While planning accounting data architecture, make sure that one uses their own network effectively. In other words, leverage edge computing by hosting accounting software where requires the highest volume of data transfers, instead of hosting software in a data center that may be located to a great distance away.

## CONCLUSION

Change is inevitable in the accounting profession. To experience growth, accountants need to understand the trends and take proper steps for better compliance and decision-making in business. Accountants who can adapt with these changes are better suited to experience success and growth in near future of business. Automatic services have become common place in many sectors of the financial services industry. Likewise, consumer automated tax preparation, various technologies and apps are heavily promoted. Thus, the upcoming accounting trends of future has yet to completely emerge. Some experts predict a hybrid approach where advanced technology will sit comfortably with human advisors to offer clients the best of both worlds — unparalleled data analysis combined with the human touch. We need to emerge Accounting Department stays at the forefront of industry trends

and ensures clients have access to the greatest opportunities and efficiencies. So that people in this economy must pursue a different kind of success with these emerging trends — one that comes from finding a balance between predictability and possibility. This can help them sustain productivity, endure their anxieties, and even turn those feelings into sources of creativity and growth.

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# **IMPACT OF TRADE WAR ON ASIAN GIANT**

**Dr Kamini Khanna<sup>1</sup>**, Associate Professor, guru Nanak Khalsa Institute of management,  
Matunga, Mumbai  
Email: kamini.khanna@gnims.com

**Vishakha Ghag<sup>2</sup>**, Student, Bharati Vidyapeeth College, Navi- Mumbai

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## **ABSTRACT**

**T**rade is a vital aspect for the economic development of all the countries. A Trade war ultimately mean increased import costs as manufacturers and producers must pay more for equipment, commodities and intermediate products from foreign markets .In a context of protectionist rhetoric , the potential impact of trade wars initiated by a change in US trade policies. Trade protectionism is reemerging as a controversial tactic among policymakers and economists in enhancing a nation's economic well-being. This paper shows that how trade war affects emerging countries and damage the global trading system without bringing gains for the US. If there are trade protection policies put into effect, the nations will take reciprocal actions. No matter if the nations are political and military allies' nations will impose countervailing tariffs, subsidies and exchange rate control. This research focuses on the way in which the trade war between US and China have an impact on the Asian giant India.

**Keywords:** Trade war, protectionism, Emerging Countries.

## **INTRODUCTION**

A trade war is a back and forth dispute wherein a country imposes tariffs on certain imports in order to restrict trade. Tariffs are fees or taxes assessed on certain products when imported into a country. The US and China are locked in a battle of words over trade that has already resulted in announcements of several new tariffs on products from both countries. These new tariffs will impact a smaller percentage of U.S imports than Chinese imports. Trade war has been implicated as one of the cause of economic crises.

India is one of the fastest growing major economies this year, but trade tensions between the United States and china may restrain that growth. The recent scenario of import tariffs

imposed by the US and China have raised concerns about a full-fledged global Trade war. Indian economy will be affected by the ongoing trade dispute. India runs the risk of being caught in the middle of trade spat between the US and China. Though in the short term a trade war between US and China may impact global trade including India, in the long term, India is likely to benefit as China will be forced to devalue its currency to remain a dominant player in the world market.

Trade protectionism has been used with the intent of helping a nation recover from an economic downturn. Trade protectionism is the opposite of free trade in which a government allows its citizenry to purchase goods and services from other countries or to sell their goods and services to other markets without any governmental restrictions. The direct impact may be limited but there may be a lot of indirect implications.

## **OBJECTIVES**

The objective of this study is to analyse the impact of trade war on the economic development of a nation and to know the effects of trade protectionism for the economic well-being of the nation.

## **METHODOLOGY**

The complete research work leading to the paper is based on secondary data. For secondary data, relevant books, journals, Internet have been used.

To understand how a trade war has an impact on the Asian giant like India various sites are being surfed. Certain articles from the renowned economists are also being looked upon. To clearly understand a trade war impact, the results and implications of a trade war between US and China is being correlated and the effects of Trade protectionism are also studied upon.

### **Why Trade War Occurs?**

A trade war is an economic conflict resulting from extreme protectionism in which states raise or create tariffs or other trade barriers against each other in response to trade barriers created by the other party. Increased protection causes both nation's output compositions to

move towards their autarky position. To analyze the effects on the Indian economy 3 trade war scenarios are 1) China targets Indian exports. 2) US targets Indian exports. 3) India retaliates against the US.

### **Trade Protectionism:**

A group of nations working in conjunction as a trade bloc, creating barriers with the specific goal of protecting its economy from the possible perils of international trading. Various methods of trade protectionism whose goal is to protect a nation's economic well-being. It includes:

- 1) Tariffs – It is a tax on imports from other countries and foreign markets. The government imposing the tariff is looking to restrict imports of foreign goods and services, protect its own domestic industries and companies manufacturing such items and raise tax revenues.
- 2) Quotas – It is a direct restriction on the number of certain goods, products and commodities that may be permitted to be imported into a nation.
- 3) Subsidies – Subsidies help domestic producers by having extra cash available for production of goods, lowering manufacturing costs, allowing these companies to gain foreign markets.
- 4) Exchange rate controls – It can be used to make a nation's product cheaper abroad by lowering the value of its currency in the foreign exchange markets. This will cause a price of imports to rise while lowering the costs of its exports.
- 5) Administrative trade policies – It consists of bureaucratic rules, laws and regulations designed to create serious difficulties for an importer of goods into a particular nation. This can take time, effort and may often severely damage the item being inspected.

### **Effects of Trade Protectionism:**

Despite the intent of certain economists and policymakers trade protectionism has certain long and short term effects on a nation's macro – economy and often the global economy.

These effects include:

- 1) Consumer's limited choice and pay more: A key effect of trade protectionism is that consumers will have a limited choice of products and goods since there may be quotas on how much may be imported. Protectionist policies that intended to safeguard industries, companies, and jobs actually mean that consumers are limited in the availability of products and goods and may have to settle for poor quality instead.
- 2) Infant industries: The protection of an infant industry may actually end up costing a government significant amount of money and financial resources in order to protect its infant industry.
- 3) Exchange rate controls that causes long term inflation: By having its currency decrease in value so that it can sell its products and goods at cheaper prices in foreign markets, any foreign products sold in its market will actually see prices increase.

# U.S. 2017 TRADE DEFICITS

(In Billions Of Dollars)

RANK	COUNTRY	DEFICIT
1	China	-375.2
2	Mexico	-71.1
3	Japan	-68.8
4	Germany	-64.3
5	Vietnam	-38.3
6	Ireland	-38.1
7	Italy	-31.6
8	Malaysia	-24.6
9	India	-22.9
10	Korea, South	-22.9
11	Thailand	-20.4
12	Canada	-17.6
13	Taiwan	-16.7
14	France	-15.3
15	Switzerland	-14.3

Source: U.S. Census, Goods only

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## **TOP U.S. IMPORTS FROM INDIA - 2017**

(In Thousands Of Dollars)

Gem diamonds	8,192,969
Pharmaceutical preparations	6,676,117
Apparel, household goods, cotton	4,593,485
Fish and shellfish	2,287,563
Other petroleum products	2,021,857
Jewelry	1,809,594
Chemicals - organic	1,403,015
Apparel, textiles, non wool or cotton	1,239,119
Vehicle parts and accessories	1,041,240

Source: U.S. Census, Goods only

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# INDIA EXPORTS TO U.S. (In Lakh Rupees)

<b>Iron and steel</b>	2,21,105.87
<b>Articles of iron or steel</b>	8,47,606.47
<b>Aluminum and articles thereof</b>	2,34,609.32
<b>Total exports to U.S.</b>	28,300,800.88
<b>India's total exports</b>	1,84,942,875.55

Source: Department Of Commerce, India

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## How Will us Policies Effect The Indian Economy?

- US trade and monetary policy will have a substantial effect on the Indian economy.
- India could fall victim to adverse trade policies of the US or China.
- The GDP of the country may lower down.
- Besides a possible Trade war, a faster than expected tightening of US monetary policy will hurt India, namely via capital outflows.
- India will face a shortage of capital since capital flows will not cover its finance requirements. The consequence will be further downward pressure on INR and possibly higher interest rates if India uses its foreign reserves to plug the difference between its finance requirements and capital flows.

## The Impact of a Potential Trade War on India:

The trade war will have a long-term impact on the India's economies of scale. There have been knee jerk reactions in the financial markets and they have had some negative impact on India.

India is neither advantageously positioned to take advantage of the tussle as we are nowhere near in replacing china in exports to US nor gravely positioned to lose out on any opportunities that are presently there. This war will have ripples on commodity markets

/financial markets which are bound to effect on a negative bias on India. It is also possible that US may like to promote alternate countries like India to take on china.

After this trade war china is not going to stop manufacturing cheap product and it will search alternate market to dump their products. China who already dominate electronic market in India will start exporting steel and aluminum into India at cheaper rates which will hamper Indian manufacturer. Indian manufacturing industry growth will slow down and trade deficit with china will be broaden. Indian government and manufacturer who instead of competing with Chinese product will give excuse that Indian manufacturing Industries is suffering from flood of cheap Chinese import.

There is some advantage of this trade war to India. If china starts dumping their product into Indian market then Indian consumer get product at cheaper cost and it will increase living standard. If the increase in protectionisms is restricted to trade conflicts between specific countries, there would still be noticeable consequences for the global economy. A trade war between US and China would have a clear negative impact on both the countries. In the short term, before trade and production patterns have time to adjust the effects could be very extensive, not least in communities in which companies with close connections to international trade play an important part. Over the longer term, the countries involved would have to deal with the efficiency losses following from impaired access to an important export market.

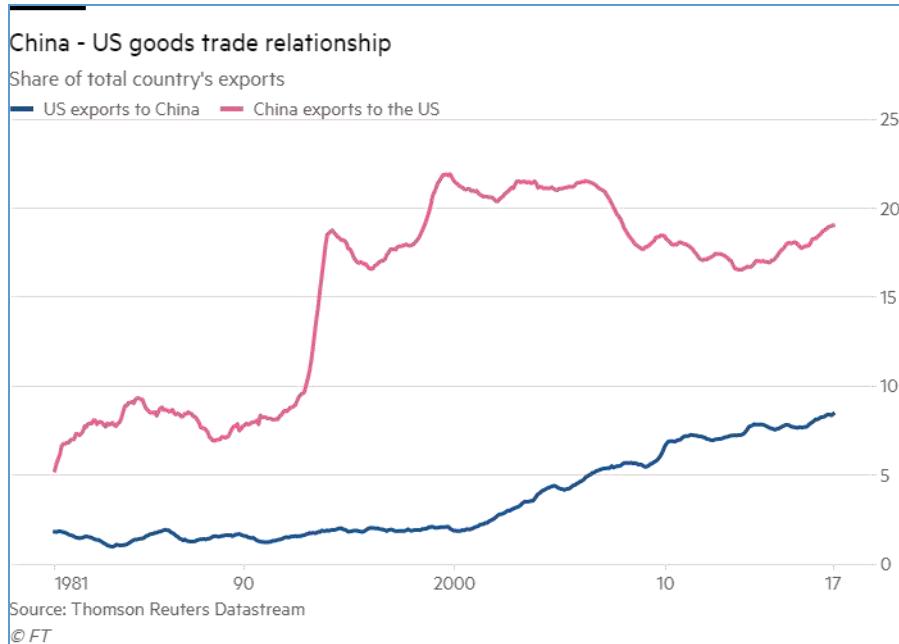
Other countries are also affected by a trade war between large economies. However, it is difficult to say in what ways and to what extent. In the short run, it can lead to problems for companies that are involved at some stage in the chain of production of goods traded between the USA and china. A powerful reaction by the financial markets to a spiraling trade war could strengthen the negative effects on investment and consumption around the world.

### **Impact of Trade War on Exports**

Exports from India could be hit as a fallout of a global trade war between America and China. The dispute could lead to falls in demand and higher costs, pushing up prices. Such tariff wars come at a time when the world economy is just about getting out of a slow

growth phase. If global trade volume shrinks on account of this trade war, our exports are bound to be buffeted. Indian exports have been on a growth streak over the past one year, owing to a pick-up in global demand. The rupee has been relatively stable over the past year and is expected to strengthen in the long term as investors continue to pump money into the economy. Investor confidence in India meant the rupee ended at 65.01 (current financial year) to the dollar and weakened other currencies.

If the trade war were to intensify and that's a big deal if there is a possibility that a diminished US- China trade engagement could have positive results for countries such as Brazil and India from a trade perspective, at least in the short term in case of soybean, for instance one of the key items in the list, there could be a cascading impact in terms of openings for India to enter other markets, according to the soybean processors association of India. The bulk of China's annual soybean import of around 100 million tons is for domestic consumption; the rest is used in the manufacture of soybean oil and meal for export. If the levy hits China's import, exports could be dented, a space that India could potentially fill to meet the demands from other countries. But in the long run a full-fledged trade war is hazardous. It invariably leads to a higher inflationary situation and low growth scenario. Inflation is generally good for assets such as gold, while having a negative impact on currency and some sectors in the equity market.



## **Outflow of Money**

For India, the impact of inflation action by the fed will be significant through the channel of interest rates. Yields in US markets have been inching up since mid-2016, and have risen from a low of around 1.5% per annum to over 2.8% now. The yield on benchmark US bonds hovered around 5% in 2007, a year before the start of the global recession left developing countries and forced central banks to cut interest rates to near zero.

The Indian government securities market has been falling for the past seven months in cues of rising US yields and projections of increased local inflation. Rising interest rates in the US could mean a potentially rough ride for the India's equity market. Higher US rates will lead to outflows from emerging market bonds and equities as American investors will look to chase higher returns in their home. While a surge in domestic inflows is a reassuring factor for Indian equities, higher interest rates do make the option of investors borrowing cheap money in the US and investing in Indian equities significantly less attractive.

## **India's Role in US – China Trade War:**

Between China and US playing tit for tat with each other, India is a nation that is stuck in between. The recent budgetary provisions for increased duties have already angered the US which resorted to imposing high import duties on steel and aluminum imports from the country, thereby worsening the trade situation between the two. This increased protectionism from India's front, especially when the economy is finally starting to take off calls for a great deal of negativity because it is scaring investors away. More importantly India's stance on the whole issue now becomes very confusing considering how last month, Prime Minister Modi criticized nations for closing their economies and then raised his own tariff walls. India raised tariffs on smartphones to 20% and is even considering increasing to a 70% duty on import of solar panels from Malaysia and China. Even in the financial markets, the country's stock markets recently decided to take the protectionist road and declared that they would stop sharing information and data with international stock markets like Singapore to pave the way for more future trading through India.

## **CONCLUSION**

India might be more vulnerable to US policies than financial markets are currently pricing in. A Trade war in US and China could cost India more than 2% fall in GDP growth up to 2022. This does not include possible knock on effects on, for example, productivity and foreign investments capital. In addition , a faster than expected tightening of US monetary policy could cause capital outflow from India, which will also lead to a shortfall in India's finance requirements . The effect on capital flows to India in such a scenario may be that India could face a shortfall in finance requirements. Although this scenario is not our base case, investors and companies dealing with India would be wise enough to keep is risk in mind.

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# **WOMEN LEADERSHIP: A STUDY ON THE ENVIRONMENTAL AND DEVELOPMENTAL DETERMINANTS OF LEADERSHIP ROLE OCCUPANCY**

**Madhurima Basu**

Research Scholar, M.Phil In Management,

Indian Institute Of Social Welfare & Business Management (IISWBM), Kolkata

E-mail: madhuapri@gmail.com

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## **ABSTRACT**

**L**eadership is a global phenomenon across cultures. The concept of leadership is both complex and intriguing. Leadership research has drawn increased attention over the last few decades by both theorists and practitioners, probably due to its notable impact on organizational success. Leaders' behaviour inspires and generates an impression that the leader is competent enough to accomplish the goals and achieve sustainable success. Leaders differ in their own ways, but they tend to exhibit similar characteristics. Leadership and followership is an interdependent relationship. Leaders differ from their followers on the basis of their exhibited personality traits, cognitive abilities, skills and values. The followership role comprises of the degree of enthusiasm, cooperation, active participation and task competence which are required to accomplish organizational goals. It is commonly believed the qualities of good leaders are also the qualities of good followers. Leadership researchers and practitioners are of the opinion that today's organizations need leaders who will inspire the followers and enable them to bring forth revolutionary changes. Organizational leaders develop and shape the organizational culture and climate. Past studies on organizational leadership suggests leadership affects organizational performance, leadership is necessary to provide long term vision and direction and the amalgamation of leaders with followers along with other organizational factors makes significant impact. Organizational members look up to the leaders as their role models. Organizations perceive proficient leadership at the top level as a source of competitive advantage. Traditionally, leadership roles were occupied by men. The new age women have showcased exceptional passion, grit and determination both in their personal life and

work situation, surpassing their male counterparts. The gradual entry of women into the business sector since the last few decades and their eventual elevation to the top management has drawn the attention of researchers in the area of women leadership. The effectiveness of leadership depends upon the leadership behaviour exhibited by the appropriate gender. An interesting question that challenges the researchers is this: what kinds of environmental variables could influence the emergence of leadership and development? There is a common belief that certain experiences trigger leadership emergence in individuals. More specifically, environmental variables refer to environmental contexts embedded in experiences over time. Developmental aspects include early life experiences at home which include influence of parents and siblings and/ or other family members. Past studies on the environmental influences on leadership suggests there exists a broad range of experiences that could impact when an individual moves to leadership roles. Some of the environmental factors that have emerged from various studies are family experiences, educational experiences, influence of peer groups, interactions with mentor or mentors, experiences of unanticipated opportunity, role model who was not a direct associate, training and developmental experiences, prior obstacles in jobs and prior success in leadership roles. An in-depth evaluation of the family experiences, work related experiences and broader life experiences that may contribute to leadership ascendance and development could provide insights into optimizing individual leadership development for both the genders. Transformational leadership is one of the most widespread and presently extensively researched theories of leadership. At a time of globalization organizations are in dire need of transformational leaders. Such leaders focus upon organizational change which is imperative to the present business scenario. Transformational leadership can be defined as the process of initiating pre-eminent changes in the attitudes, beliefs and values of the followers to the extent where organizational goals and the vision of the leader are internalized and the followers achieve performance beyond their own expectations. Eventually, the leaders and followers elevate one another's level of motivation and morality. In this process leaders accomplish followers' best efforts by encouraging them to identify with visions that outshine their own immediate self-interests. The transformational leader aspires to raise the followers' higher-order needs. The aims and aspirations of both the leader and the followers gets combined into one, thus they work

as an unifying force to establish common goals in which they can identify themselves. Transformational leaders initiate positive change and movements in their organizations. These leaders prefers to redefine the existing framework and inspires people into believe into a futuristic vision and venture into new possibilities. Transformational leaders usually use the combination of authority and power to influence and motivate followers to believe in and follow their example. One of the prime qualities of transformational leaders is they tend to question assumptions and promotes unconventional thinking. Another striking characteristic of the transformational leader is they emphasize on self-development and provides positive feedback to enhance their followers' performance. Such leaders are guided by a strong sense of purpose towards fulfilling their visions. Transformational leaders proactively involve followers' self-concepts. As a result individual followers come to realize their inner potential and how they can gradually connect to the organizations mission. In this way transformational leaders enable followers to nurture their inner potentials and make them realize they can contribute to the larger organizational goals. Ultimately the entire process promotes an enhanced commitment to their jobs, their co-workers and the organizations at large. Research shows that transformational leaders can enhance employees' proactivity by increasing their level of commitment to the organizations. Employee engagement and organizational performance is also found to be positively linked with transformational leadership. The findings of other studies suggest there is positive relationship between transformational leadership, organizational climate and innovation. Additionally, perceived transformational leadership behaviour is linked to positive emotions in followers. Past literatures on women leadership suggests women tend to exhibit transformational leadership behaviour. The present paper is an attempt to assess the probable environmental influences of upbringing years on adult behaviour of a woman executive working in a department under the central government of India based on an in-depth interview. An effort has also been made to understand the perceived leadership style of the executive. Extensive interviews were also taken of her subordinates to identify the exhibited leadership style of the executive. It was found from the interview data of the executive that the diverse environmental variables in her early life had left a strong impact on her personality and later on her leadership style. The interview data of the subordinates seems to suggest that the woman executive demonstrates transformational leadership

behaviour. This seems to have enhanced the overall job performance level of the subordinates.

**Key Words:** Leadership, Leadership Styles, Women Leadership, Environmental Influences, Transformational Leadership

## INTRODUCTION

Leadership is a complex and fascinating area of research. Scholars have devoted reasonable effort to understand the leadership triangle, which involves a leader, the followers and the situation where the process of leadership occurs. Over the years diverse approaches have come into existence to illustrate each aspect of the leadership triangle along with complex interaction among them. In the contemporary business scenario business leaders are required to stay consistent and willingly take up the responsibility of motivating their subordinates. The drive to perform beyond the set organizational goals must be initiated by leaders. Organizational leadership is one of the key facilitator influencing the success of the organizational strategies and generating competitive advantages in a dynamic environment. Leadership roles were traditionally assigned to men. The eventual entry of the women into the workforce since the last few decades and their gradual elevation to the top posts in the corporate ladders has attracted scholars in the area of women leadership (Van Engen & Willemsen, 2004). An interesting question that fascinates researchers is this: what kinds of environmental variables could influence the emergence of leadership and development? There is a common belief that certain experiences trigger leadership emergence in individuals. More specifically, environmental variables refer to environmental contexts embedded in experiences over time. Developmental aspects include early life experiences at home which include influence of parents and siblings and/ or other family members. The earlier leadership approaches focussed on leader's traits, behavioural theories and contingency theories; and one of the latest trends in the field of leadership is the theory of transformational leadership. In the recent times the theory of transformational leadership has drawn the attention of leadership scholars. Transformational leaders initiate the process of providing change and movement in an organization (Burns, 1978). They do so by furnishing a vision for change (Bennis & Nannus, 1997). Such leaders need to have the ability to monitor the overall activities and review the processes of change for the long term survival of the organizations. They help the followers to enhance their work abilities,

contribution in organizational activities, be self-determined, willingness to delegate and look for self-achievement. It emerges from a number of leadership literatures that women tend to exhibit transformational leadership behaviour (Bycio, Hackett, & Allen, 1995; Druskat, 1994; Yamurarino, Dubinsky, Comer and Jolson, 1997). Past literatures on women leadership suggests women tend to exhibit transformational leadership behaviour (Bass, Avolio, & Atwater, 1996; Eagly & Johannesen-Schmidt, 2001; Van Egen & Willemse, 2004). Thus, it can be said transformational leaders are described as individuals who ‘transforms’ their followers. It is not apt to term the ‘act of transforming’ to an engendered characteristic.

## **REVIEW OF LITERATURE**

### **Leadership**

Leadership is considered to be the key factor of administration, which could help in accomplishing the effectiveness and efficiencies of organizational performance both in terms of financial and non-financial aspects (Alhadid, 2016). There are a number of definitions of leadership. McShane and Glinow (2010) are of the opinion leadership mainly focuses on influencing, motivating and enabling other people to contribute toward the organizational effectiveness and success at large. Leadership is the ability to influence individuals to accord to follow one’s guidance or comply with one’s decisions.

Early leadership theories emphasized on the qualities or the traits of the leader. William James (1880), noted psychologists, was of the opinion major social changes are an outcome of the actions taken by great individuals who lead others in directions they believe to be the need of the hour. Researchers till the late 1940s and early 1950s (Zaccaro, 2007) dedicated notable effort to study characteristics of leader at different level. The ‘great man’ leadership theory is the outcome of the series of such studies (Vroom & Jago, 2007). However, it emerged after reviewing literatures on leadership traits that leadership personality feature varies significant across studies; therefore it was difficult to conclude a set of qualities that would describe leadership efficacy (Mann, 1959; Stogdill, 1948). The 1950s and 1960s witnessed the emergence of new leadership theories. Scholars emphasized on leadership actions rather than leadership qualities (Fleishman, 1953; Hemphill & Coons, 1957). The Ohio State University studies and University of Michigan study observed the

way leaders behave and accordingly devised vital constructs that are still applicable till date. The study of leadership recognized the relevance of the personality traits and the situations they are subjected to, leads to the ultimate results (Gomes, 2014). Therefore, studying the external environment that leaders face became the pivotal parameter which led to the unfolding of the contingency theories of leadership. The contingency theories seek to illustrate why particular leaders demonstrate effective leadership qualities in certain situations but displays inadequate leadership characteristics the moment the situation changes. The leadership theories based on contingency approach were formulated on Fiedler's (1964) work and his subsequent book, *A theory of leadership effectiveness* (Fiedler, 1967). A number of the other proponents of the contingency theories are Hersey & Blanchard (1996), House (1971), Kerr & Jermier (1978) and Vroom & Jago (2007). It was during the late seventies that one of the most profound leadership approach emerged. The theory of transformational leadership was first put forward by Dowton (1973). Subsequently the concept of transformational leadership was taken up Burns (1978). Transformational leadership can be described as the process of initiating major changes in the attitudes, beliefs and the values of the followers to the extent where the organizational goals and leader's vision are internalized and followers accomplish performances beyond their own expectations (Bass, 1985; Yukl, 1999a; Yukl, 1999b). Transformational leaders give prominence to exploring new possibilities and promote an impressive vision of the future. Such leaders display noticeable passionate inspirations (Hersey & Blanchard, 1996) and manifest a model of ideal behaviours (Kouzes & Posner, 1987). They motivates followers towards visionary inspiration altering their morals, ideals and values (Lan & Chong, 2015). Thus, if we be more specific it may be said transformational leaders transforms and inspires their followers by making them more acquainted with the significance of task outcomes, motivating them to go beyond their own self-interests for the sake of the organization along with shaping their higher order needs.

## **Organizational Leadership**

'To achieve the goal of organizational lasting operation, leaders the key roles of the organization must be able to measure external circumstance and guide employees to face challenges as well as establish organizational superiority for constant progression and

development' (Chu & Lai, 2011). Past studies on leadership suggests that organizational culture and types of prevalent organizational leadership styles influences the job satisfaction level of the employees. More specifically, job satisfaction level of the employees acts as a mediator between the predominant organizational leadership and organizational culture to have an impact on the organizational performance. It emerges from the past studies conducted in the western countries that leadership style influences job performance of the subordinates (Avolio, Zhu, Koh & Bhatia, 2004; Bodla & Hussein, 2009; Kark, Shamir & Chen, 2003).

## **Women Leadership**

In the ancient societies, men and women held equal status in society. But in the due course of evolution of the social structure from simple to more complex; the prevailing job roles that came into existence involved physical labour which meant men were in a better position to climb up the hierarchy of the gender ladder. Traditional theories of leadership ignored the feminine qualities of leaders. As a result women became restricted to the dynamics of household responsibilities (Hartley, 1914). To be more specific the focal point of such leadership theories was on the masculine aspect. It was not until the 1960s that studies related to women leadership garnered the attention of researchers. The rise in the number of women in the workforce is vital factor that has impact on leadership. It is not unusual to note women are subjected to more challenges and barriers in climbing up the leadership ladder (Eagly, Karau, & Makhijani, 1995). Researchers over the period of time have attempted to come up with feasible explanations for the underrepresentation of women executives in the organizational settings. The possible justifications for the underrepresentation includes discrimination against women at the workplace, professional and personal (family) conflict, women themselves opting not to engage in leadership positions, and lack of opportunities for women executives to get involved into leadership development that helps them advance into assuming leadership roles (Hewleet & Luce, 2005). Leadership effectiveness depends on the exhibited leadership behaviour by the appropriate gender.

Interestingly, it is found from gender related leadership studies women tend to display effective leadership behaviour when they are working in the traditional feminine

organizations such as the service sectors while men are found to be effective leaders in stereotypical organizations like the technical & manufacturing sectors (Eagly, Karau & Makhijani, 1995; Lowe, Kroeck & Sivasubramanian, 1996). The factors that play a pivotal role in the advancement of women leaders to the top ranks can be segregated into three categories- societal, familial, and individual (Moor, Cohen, & Beeri, 2015).

Presence of women is positively linked with organizational performance (Desvaux, Devillard-Hoellinger, & Meaney, 2008). Women leaders are prone to exhibit concern for others, expressiveness and cooperation (Eagly, Karau, & Makhijani, 1995; Nahavandi, 2018). Some studies do suggest an association between androgynous behaviours and transformational leadership (Kark, Waisel-Manor, & Shamir, 2012). Past studies on women in management suggest women gradually make it to the top because of their unique and diverse qualities (Peters, O'Connor, Weekly, Pooyan, Frank & Erenkrantz, 1984; Rosener, 1990). To cite some of the characteristics associated with women are better emotional intelligence (Eagly & Carli, 2007) along with having nurturing and amicable nature.

### **Environmental & Developmental Determinants**

What are the determinants of leadership in the organizations? Scholars have attempted to find the most feasible answer to this question for decades. ‘Throughout the years, a variety of constructs and predictors have been posited as determinants of leadership including general intelligence, personality, values, and even genetic factors’ (Arvey, Rotundo, Johnson, Zhang, & McGue, 2006). According to Sorcher and Brant (2002), ‘Our experience has led us to believe that much of leadership talent is hardwired in people before they reach their early or mid-twenties.’ A diverse range of constructs drew the personality, interests, and motivation domains act as predictors to evaluate the socio-emotional and task-goal leadership among high school students (Schneider, Paul, White, and Halcombe, 1999). It was pointed out by Chan & Drasgow (2001) that variety of cognitive, personality, and motivational determinants are linked to leadership potential across samples from diverse international environment. the findings from past studies exploring the kinds of environmental influences that could influence leadership emergence

and development suggests a wide range of experiences could impact an individual assuming leadership roles (Avolio, 2005).

A number of specific environmental variables are identified on the basis of past literatures is considered for the purpose of the present study.

1. Influence Of Family Members- Evidence from past studies shows leaders have acknowledged the contribution of their family members in shaping their values and goals connected with leadership (Arvey, Zhang, Avolio, and Kruenger, 2007). Additionally, there have been studies exploring the association of parenting style to leadership behaviour as reported in the adult life. Avolio and Gibbons (1988) suggested leaders who exhibited transformational leadership behaviour by their followers recounted their parents as being very challenging and supportive in an equitable way.
2. Educational Experiences- Findings from the past studies suggest prior educational experiences being linked with future management success (Bray, Campbell, and Grant, 1974; Howard & Bray, 1988; Wakabayashi and Graen, 1984). Educational experiences were one of the most recurrently mentioned events in an individual life that nurtured in shaping successful leadership development (Lindsey, Homes, and McCall, 1991).
3. Peer Group Influence - Influence of peer group plays significant role in the process of leadership development. Peer relationships provide distinctive advantage for development because of the level of mutual understanding and the time span of the relationship (Day, 2000).
4. Role of The Mentor or Mentors- A striking numbers of researchers have voiced the significance of mentorship in individuals' life experience who assumes leadership roles (Bass, 1990b; Day, 2000; Kram, 1983). Contribution of a mentor or mentors has repeatedly surfaced in the narrative accounts of leaders (Standford-Blair and Dickman, 2005).

Transformational leadership behaviour includes dispositional, traits like components that are reported to develop in the growing up years (Bass, 1985). 'For example, although it might be easy to instruct a leader how to provide contingent rewards, teaching the leader to inspire and intellectually stimulate followers may not be simple' (Nahavandi, 2018).

## **Transformational Leadership**

Transformational leadership is one of the most popular and presently extensively researched theories in the field of leadership. The theory is presently being critically reviewed and diverse range of moderating variables is identified to have a better insight into the transformation approach (Antonakis, Avolio, & Sivasubramaniam, 2003). Transformational leadership approach is all about transforming followers to rise above their self-interests by reshaping their value systems alongside inspiring them to perform better than their own expectations (Bass, 1985). Leaders who have the ability to activate innovation at work place, nurture subordinates as leaders of tomorrow and takes up the task/s to implement change initiatives for the betterment of the organization are called transformational leaders (Bass, 1990a; Bennis & Narus, 1985). Transformational leadership can be defined as the process of leadership which motivates individuals by appealing to their higher order need, and setting forth and articulating a vision of the future, and forming a base of credibility (Tracey and Hunkin, 1998). According to Avolio, Zhu, Kou & Bhatia (2004), transformational leadership is described as a kind of leadership that creates awareness and acceptance among employees, enables the employees to develop and motivate them to go beyond their self-interests to achieve the organizational goals and encourage them through the leader's displayed behaviour. Schermerhon (2002) commented that transformational leadership can be interpreted as inspirational leadership that enable individuals to enhance their performance levels. Transformational leadership behaviour influences the organizational performance. As Tucker & Russel (2004) aptly described it as transformational energy surges, leaders emphasize on free will and drive out the inner fears of the followers. By indulging into such actions, the followers realize their potentials. The transformational leadership process results into enhancing the levels of morality and motivation of both the leader and his/ her followers (Carlson and Perrewe, 1995). One of the distinguished aspects of the transformational leadership theory is it emphasizes on the emotional attachment that followers have with respect to their leader/s, whereas earlier approaches were more inclined towards the outcomes that leaders had on their followers' cognition, level of satisfaction and performance (House, 1992). Leaders in this case accomplish followers' best efforts by motivating them to recognize with the vision that

exceeds their own self-interests. Transformational leaders have the ability to elevate followers' higher order needs.

Bass & Riggio (2006) in their book *Transformational Leadership* identified four critical components of transformational leadership. They are as follows:

1. Idealized Influence: Transformational leaders are perceived to be the role models by their followers. Such leaders are admired, respected and trusted. 'They create a sense of shared vision, they show persistence and determination, and they demonstrate higher standard of ethical and moral conduct' (Beeral, 2009). Followers of transformational leaders try to emulate the qualities of their leaders.
2. Inspirational Motivation: Transformational leaders motivate their individual followers by guiding them. Such leaders articulate enthralling vision/s of the future that acts as trigger to enhance the level of enthusiasm and optimism among followers.
3. Intellectual Stimulation: Transformational leaders motivates their followers to be innovative and creative by questioning the assumptions, redesigning the problems, and finding advanced techniques to solve old problems. Followers are also welcomed to share their insights regarding the prevailing obstacles and offer solutions.
4. Individualized Consideration: Another striking characteristic of transformational leader is their ability to devote attention to each individual followers need for achievement and growth. 'Transformational leaders act as coaches and mentors, followers are treated as ends not means to other's end' (Beeral, 2009). Followers of transformational leaders are regarded as individuals with diverse needs and different strengths. The followers experience personal touch while interacting with the transformational leader/s. Thereby realizing their worth is more than just employees of the organization.

### **Impact of Transformational Leadership**

Transformational leadership is perceived to be a motivational approach to leadership than the traditional managerial approaches and is found to have significant impact on organizational citizenship behaviour (Colquitt, Lepine, & Wesson, 2010). The impact of transformational leaders on their followers across diverse sectors was conducted by the researchers. To name a few sectors where the impact of transformational leaders on their followers were studied are the business sector (Barling, Weber, & Kelloway, 1996; Kark,

Shamir, & Chen, 2003; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Turner, Barling, Epitropaki, Butcher, & Milner, 2002), the public sector (Javidan & Waldman, 2003; Raffert & Griffin, 2004), the healthcare sector (Avolio, Zhu, Koh, & Bhatia, 2004) and so on. The findings emerging from certain leadership studies suggests there exist positive correlation between transformational leadership and followers' commitment to union (Fullagar, McCay & Shull, 1992), loyalty to business organizations (Koh, Steers, & Terborg, 1995; Niehoff, Enz, & Grover, 1990), and ethical and moral practices of followers' own core beliefs, followed by the values of others in the organizations and along with the prevalent value system existing in the organizations (Kane & Tremble, 2000). Past studies shows there exists positive correlation between the different aspects of transformational leadership and diverse measures of followers' satisfaction levels (DeGroot, Kicker, & Cross, 2000; Dumdadum, Lowe, & Avolio, 2002; Lowe, Kroeck, & Sivasubramanium, 1996). Transformational leadership is also found to be positively linked with organizational innovation (Jung, Chow & Wu, 2003).

Transformational leaders seek to change the prevalent structure and influence followers to believe into a new vision/s and new opportunities. They know it how to make use of their power to motivate people and inspire them to trust and follow their example. These leaders are capable of meeting with requirements of the emotional needs of each individual follower (Bass, 1990a). Thus, it may be said transformational leaders are required throughout the organizations and they can have noteworthy impact in the diverse areas of management.

### **Women & Transformational Leadership**

Female transformational leaders create an exceptional relationship with each individual follower, suggesting that women are inclined towards displaying an interpersonal oriented style of leadership (Yammarino, Dubinsky, Comer & Jolson, 1997). Suranga Silva & Mendis (2017) concluded in their study women leaders have more transformational characteristics which seems to be favourable for them as a medium to overcome the obstructions associated with leadership roles. 'Transformational leadership style may be congenial to women, not only because at least some of its components are relatively communal, but also because these particular communal behaviours may help female

leaders deal with the special problems of the lesser authority and legitimacy that they face to a greater extent than their male counterparts' (Eagly, Johannesen-Schmidt & Van Engen, 2003). The findings of a number of studies suggest women leaders are perceived to be exhibiting transformational leadership behaviours more recurrently than their male counterparts (Bycio, Hackett, & Allen, 1995; Druskat, 1994; Yamurarino, Dubinsky, Comer and Jolson, 1997). It emerges from a number of studies related to women leadership that women are inclined towards adapting a more transformational and less transactional leadership behaviour as compared to their male counterparts (Bass, Avolio, & Atwater, 1996; Eagly & Johannesen-Schmidt, 2001; Van Egen & Willemsen, 2004). Researchers exploring the gender specific leadership styles suggest men tends to demonstrate autocratic or transactional leadership style while women tend to exhibit democratic or transformational leadership behaviour (Eagly, Asmore, Makhijani & Longo, 1991; Eagly & Karau, 2002; Eagly and Koieng, 2006). Thus, the overall findings emerging from the studies on engendered leadership styles seems to suggest that women leaders tend to exhibit transformational leadership behaviour.

## **OBJECTIVE**

The present paper is an attempt to evaluate the probable environmental influences of upbringing years on adult behaviour of a woman executive working in a department under the central government of India based on an in-depth interview. An effort has also been made to understand the perceived leadership style of the executive. Extensive interviews were also taken of her subordinates to identify the exhibited leadership style of the executive.

## **METHODOLOGY**

The present study is based on qualitative methodology. To further the research design it is based on case study research methodology (Errikson and Kovalainan, 2014; Thomas, 2011). The data for the present study was collected through standardized structured interview guidelines.

## FINDINGS

### Profile of the Woman Executive

Exhibit 1: Demographic Profile Of The Woman Executive

Age	Educational Qualification	Age When Joined The Present Organization	Duration Of Service With The Present Organization	Job Description
48 years	M.Phil, Ph.D	25 years	23 years	Administration

The executive introduced herself to the researcher as ‘a positive person who hardly looks into the negative aspects’. Born and brought up in the eastern part of India. The lady is undoubtedly a well-educated individual. She joined the present organization at the age of 28 years and has 22 years of work experience till date. The executive described herself as a straight forward, outspoken, hardworking and an ethical individual. She additionally said, ‘I believe in practicing reciprocal respect.’ The executive told the researcher the driving forces in her life is her honesty and genuine concern for the welfare of her subordinates.

#### Early Life & Family Experiences

The lady aged 50 was born and brought up in a traditional joint family in the city of Kolkata. She admitted that though she was raised in a joint family she had never ever faced any sort of gender discrimination at home. It was her father who used to assign her and her sister various tasks related to the banks and post office since their teen age days. The lady said, ‘it is only due to the regular tasks assigned by my father to me and my sister that we got exposed to the external world. All the accumulated success earned by sincerely completing the various tasks assigned by my father, had immensely shaped the mine and my sister’s self-confidence level.’ Her younger female sibling is a management graduate and working in a corporate house. The executive also fondly recalled her mother’s contribution in her life, who stood as a rock and never paid heed to what society has to say about a girl child. Additionally, the lady went on to add that her father never believed in orthodox norms. In the words of the lady, ‘my father used to tell everyone he does not have any regret for not having a son because he strongly believed his daughters would excel

more than a male child'. The lady boasted of the fact that the trust and confidence shown by her parents had eventually shaped her world outlook.

#### **Education Experience**

The executive graduated from one of the renowned college in Kolkata. It was only due to her father's insistence that she had applied for the post-graduation programme at an elite university in Delhi. She said she was bit reluctant as she has never ever travelled alone. The lady with a smile on her face told the researcher, 'my father told me either you go to Delhi for higher studies else get married'. Alongside her college professors had also counselled her to not let the opportunity go in vain. Eventually she landed up in Delhi. She had earned her post-graduation degree and M.Phil degree from an elite university in Delhi. Later on she earned her doctorate from one of the premier institute in India.

#### **Peer Group Influence**

The executive told the researcher she always wanted to have a career in academics, but a particular incident changed her career choice. She went on to elaborate that it was during her stint in Delhi when one day one of her batch mate had taunted the intellectual capability of her community. To quote the lady, 'my batch mate told me people belonging to my community do not have the intellectual capability to clear the most difficult entrance examination. I became so furious at that time and took the vow of clearing the very same exam in one go'. With a determined look on her face she narrated to the researcher that it was not only her but also her peer group who took it upon themselves to clear the entrance examination at one go. She acknowledged that the collective effort by her peer group had a larger than life impact on each other's level of motivation. The collaborative efforts ultimately resulted into their epic victory. She along with her peer group eventually cleared the entrance examination at one go. Later on her batch mate had apologized for those harsh words spoken against her community. The lady said 'it was our determination and collective effort due to which we overcame every obstacle and emerged as the ultimate winner.'

#### **Role of Mentor/ Mentors**

The executive told the researcher that her professors played a significant role in her life. Her professor in Kolkata had literally pushed her to apply for higher studies. It was her professors who told her it will be foolish on her part if she does not grabs the opportunity to pursue higher studies. The lady acknowledged the contribution of her research guides in

her life. In the words of the lady, ‘my research guides had always encouraged me in formulating and achieving goals within the stipulated time’. She told the researcher that her mentors have a positive impact in her life.

#### Profile of the Subordinate

#### Demographic Parameters of the Total Employees

#### **Exhibit 2: Profile Of The Subordinates**

Mean Age Of The Subordinates	Mean Duration Of Service With The Present Organization	Mean Duration Of Service Under The Woman Executive
57 Years	30 Years	5 Years

Exhibit 2 depicts the profile of the subordinates. The mean age of the subordinates is 57 years. The mean duration of service with the present organization is 30 years. The mean duration of service under the woman executive is 5 years.

#### **Exhibit 3: Educational Qualifications of the Subordinates**

Educational Qualification	School Dropout	School Passed	Graduate	Post Graduate	M.Phil/Ph.D
Total Employees (in percentage)	Nil	11.11%	55.55%	22.22%	11.11%

Exhibit 3 suggests 11.11% of employees are school pass out. 55.55% of the employees are college graduates. 22.22% of the employees have completed post-graduation. 11.11% of employees have pursued higher studies.

## Narrative Accounts Of Perceived Transformational Leadership Behaviour Of The Woman Executive As Shared By Her Subordinates

### Emotional Connect With the Leader

One of the subordinate shared his personal experience with the lady. A few years back the lady was diagnosed with a life threatening disease, on the very day when he came to know about it while on his way back from home he offered his sincere prayers to a place of worship. He profoundly told the researcher, the prayer for her speedy recovery came from the core of my heart. To quote him, ‘when I came to know of her condition, I went blank, all I told myself is to offer sincere prayer for someone one does not needs to be blood related’. The employee also acknowledged that once the lady recovered from her illness and resumed her official duties; he visited that same place of worship & conveyed his heartfelt gratitude for the timely divine intervention.

### **Humanitarian Approach**

A female subordinate shared with the researcher an interesting incident regarding how the executive has changed her world view. The subordinate went to narrate the incident; once while working she became unmindful and committed a grievous mistake while documenting a file. Soon she was summoned for an internal inquiry by the higher authorities. The subordinate said, ‘although the executive was well aware of the mistake I had committed yet she took it upon herself to deal the matter with the higher authorities.’ The executive persuaded the higher authorities to not to be too harsh with her subordinate and seek apology on her behalf. The subordinate added, ‘I can never imagine my boss can go to this event to save me, I felt so emotional at that time’. Eventually the subordinate was handed over a one month show cause notice as punishment. The subordinate fondly told the researcher, ‘once the official order of show cause was served to me, the executive personally told me, she had tried her level best to waive the punishment but the authorities were furious with kind of mistake committed’. The employee still believes it is only because of the executive that she was not fired from her job. As an outcome of that particular incident, the subordinate told the researcher she has become very attentive in her work and till date has not committed any sort of severe mistake.

### Ideal Transformer

A male subordinate told the researcher, he has long term association with the organization but it is only after he had started working under the lady that he has experienced an overall transformation. He emphasized on the fact that his working style, work presentation style and most importantly his level of knowledge has enhanced ever since the executive took over the department. The subordinate in confident tone told the researcher, ‘she has transformed me as a professional for my own betterment’. He also added that the executive always address as ‘we’ and not ‘I’. He went on to cite an example, ‘she always says let us do it.’ The employee acknowledged it is the ‘we’ factor which boosts the confidence level of the entire team.

### **Approachable Executive**

Most the subordinates admitted the executive to be an approachable person. Some of the subordinates recounted how on the very day when she took over the charge of the department, she personally went to the other sub-departments and introduced herself to the subordinates. Another subordinate told the researcher prior to her we were not even aware of the executive’s name under whom we were working. The lady proved herself to be an exception. She has shared her contact details with us and has asked us to keep in touch with her in case of any sorts of difficulties. Majority of the subordinates univocally told the researcher they felt bit hesitant and uneasy while interacting with their previous bosses. Likewise the employees shared with the researcher, it was due to the approachable nature of the executive that they are getting an opportunity to sharpen their professional skills.

### **Discussion Section**

#### **Woman Executive: Environmental Variables**

1 Influence of Family Members: The narrative details shared by the lady seems to finds support to the findings of the past studies related to the parental influence in leadership development (Arvey, Zhang, Avolio, and Kruenger, 2007).

2. Educational Experiences: The detailed account of the educational experience of the lady seems to corroborate to the findings of the studies related to prior educational experiences and success at the workplace (Bray, Campbell, and Grant, 1974; Howard & Bray, 1988; Wakabayashi and Graen, 1984; Lindsey, Homes, and McCall, 1991).

3. Peer Group Influence: The descriptive narrative of the lady's peer group and career choice seems to endorse the findings of the studies related to the impact of peer group on individual's leadership development (Day, 2000).

4. Role Of Mentor/ Mentors: The illustrative accounts related to the executive's mentors' contribution in her life seems to validate the findings of the studies related to the influence of mentorship and leadership development in the long run (Bass, 1990a; Day, 2000; Kram, 1983).

Therefore, it is found from the interview data of the woman executive that the diverse environmental variables in her early life had left a strong impact on her personality and later on her leadership style.

#### Subordinates Narrative Accounts

The diverse narrative accounts shared by the subordinates seems to find support to that the notion that the various workplace related incidents while working under the lady has contributed to the process of their transformation. The interview data of the subordinates seems to suggest the woman executive exhibits transformational leadership behaviour. This seems to corroborate to the finding of Avolio & Gibbons's study (1988). More specifically the researchers (Avolio & Gibbons, 1988) found transformational leaders acknowledged the contributions of their parents and their parenting style for their long term growth. Thus, the subordinates overall job performance seems to have enhanced.

## CONCLUSION

Leadership is perceived to be a process of social influence (Basu & Mukherjee, 2018). Every organization across the globe is looking for individuals who are proficient leaders in their fields. Organizational members look up to the leaders as their role models. Thus, much responsibility lies with the leader to shape the organizational culture and climate for the long term survival of the organizations. The new age women have showcased exceptional passion, grit and determination in their personal life and work situation, surpassing their male counterparts. There is a common belief that certain experiences trigger leadership emergence in individuals. More specifically, environmental variables refer to environmental contexts embedded in experiences over time. Developmental aspects include early life experiences at home which include influence of parents and siblings and/

or other family members. In the present organizational environment, it is necessary to have a better understanding of the components that contributes immensely in the leadership development of the women leaders. Diversity in the organizational management is the need of the hour. Gradually women leaders are climbing up the ladder of organizational leadership. In today's business environment organizations needs transformational leaders. They give attention to initiating and implementing organizational change, which is an intrinsic part of the ever changing world. Such leaders enhance the followers' proactivity by increasing their level of commitment to the organizations. Past studies related to women leadership suggests women tend to exhibit transformational leadership behaviour. Therefore, with the rise in the number of women leaders, the exhibited leadership styles of women in management will ultimately lead to a better understanding and long term implication of women leadership.

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# **REVIEW OF LITERATURE FOR TECHNOLOGY MANAGEMENT, ORGANIZATIONAL PERFORMANCE AND AUTO ANCILLARY**

**Prof. Sarang Annasaheb Dani<sup>1</sup>,** Assistant Professor and Research Scholar at Sinhgad Institute of Management and Computer Application (SIMCA), Narhe – 41  
**Dr. Yogesh W. Bhowte<sup>2</sup>,** Associate Professor at Sinhgad Institute

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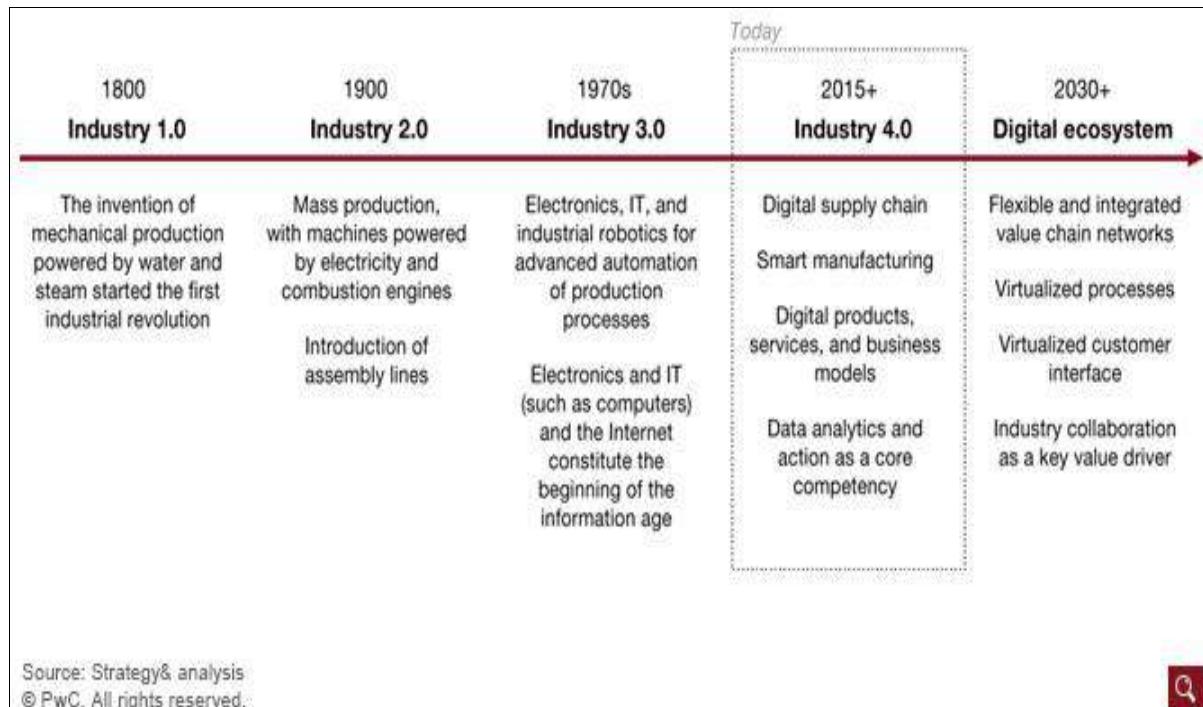
## **ABSTRACT**

**O**ne of the basic reasons for secondary market research is to pave the way for primary market research. It gives enough information to know what to ask for primary research. This paper is a review of literature for the topics technology management, organizational performance related to auto ancillary industry. This paper is a compilation of secondary research available in the field of topics under study. The purpose of this paper is to gather the information through secondary resources such as Research Reports, Thesis Government Publications, Annual reports of the companies, Books, Journals Websites etc. With the proper knowledge of existing research researcher will find the research gaps to decide the scope and objectives of the study. This paper is entirely based on secondary resource only.

## **A. LITERATURE REVIEW**

Google search engine fetches 25, 40, 00,000 results of industry 4.0 and is trending since year 2012. Industry 4.0 is a name for the current trend of automation and data exchange in manufacturing technologies. The transformation in production and automation was brought on first by steam and water power (Industry 1.0), then by electrification (2.0), and more recently by the digital computer (3.0). Industry 4.0, digitization, is about companies orienting themselves to the customer through e-commerce, digital marketing, social media, and the customer experience. Ultimately, virtually every aspect of business will be transformed through the vertical integration of research and development, manufacturing,

marketing and sales, and other internal operations, and new business models based on these advances. In effect, we are evolving toward the complete digital ecosystem (see Exhibit 1).

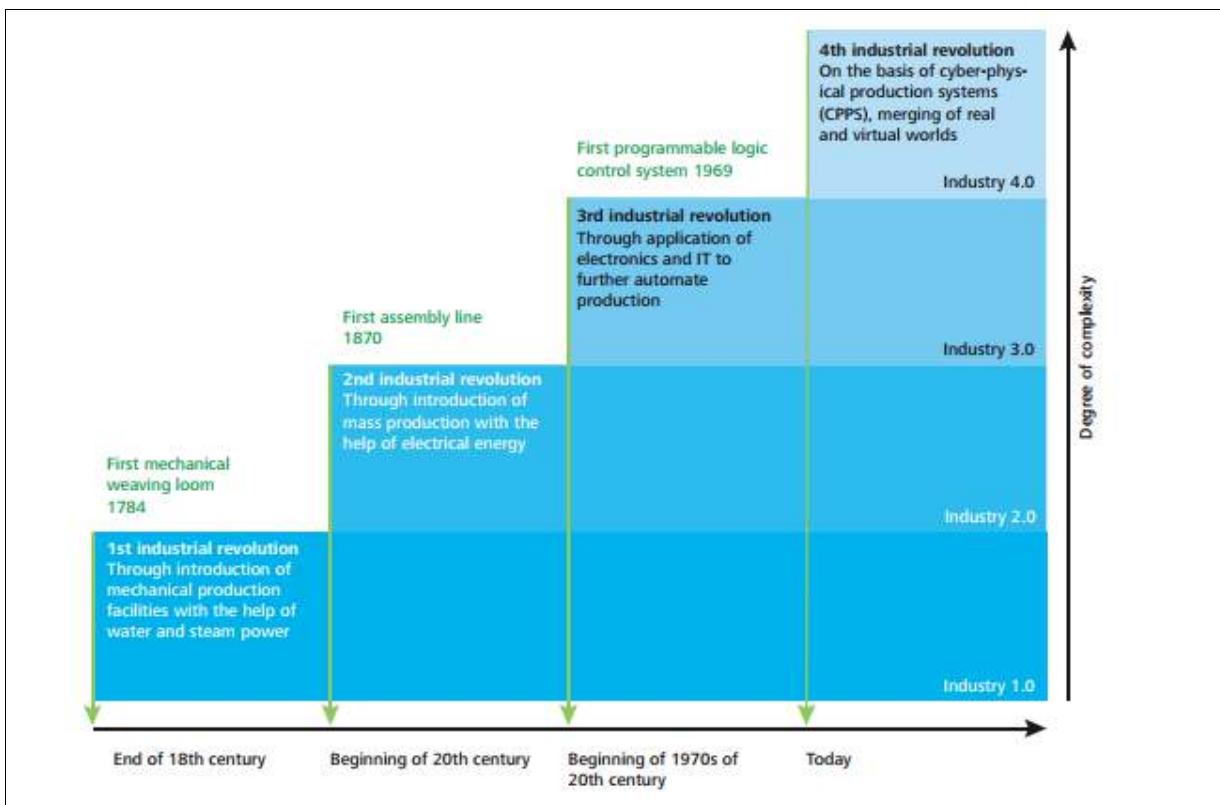


*Figure 2.1 Industrial Revolution adapted from PwC*

Industry 4.0 (also termed as a fourth industrial revolution) is a jargon used for current trends of automation and data exchange in manufacturing/service technologies.

Three core objective of the industry 4.0 is as follows:

1. Digitization and Integration of Value Chains
2. Digitization of Product and Services Offerings
3. Digital Business Models and Customer Access



With the widespread adoption of one or other technology such as Sensors, Big Data, 3D Printing, Collaborative Robots, Internet of Things, Analytics etc. Auto ancillary industry is the supplier of OEM's and with turnover of \$43.5 Bn in FY 2016-17 at CAGR 7%.Also, this industry employs over 2 Crore employees in India. It is essential to study the impact of automation technologies on the organizational performance. Carrying the research at auto ancillary industry will be more effective as technology will eliminate and reduce current challenges of the industry such as demand swings by OEM, low margins in OEM market, delivery schedules, high quality standards, pricing pressure and unskilled labors. Following table indicates major components assembled by OEM to build a vehicle.

Sub-groups	Products	% to total products
Engine Parts	Pistons, piston rings, fuel injection pump	24%
Transmission & Steering parts	Transmission gears, axles and wheels	16%

Suspension & Braking parts	Leaf springs, shock absorbers	12%
Electrical	Spark plugs, batteries, starter motors	8%
Equipment	Dashboard instruments	7%
Others	Fan belts, sheet metal parts	33%

Table 1: Percentage of components by auto ancillary suppliers. (SIAM India)

The engineering industry continuously faces the challenge of improving performance of production processes and efficiencies. With this objective at the background coupled with management of cost, it becomes more important to develop a strong chain of the suppliers and make them strategic partners of the company. (Jussi Heikkilä, 2002)

Rapert, Lynch and Suter (1996) the resource based view theory outlines that the competitive advantage of an organization lays primarily with the application of the organizations resources. RBV holds that sustained competitive advantage can be achieved more easily by exploiting internal rather than external factors.

Absenteeism is a problem faced by businesses around the world (Johnson, 2006:1; Mudaly and Nkosi, 2015:624). Today, organizations are required to operate at the most optimum level while decreasing expenses and ensuring sustainability in an ever-increasing competitive environment. Hall and Weiss (1967) financial performance study, a positive relationship between company size and profitability was established; Stekler (1964) also used had to make some transformations of their strategies to minimize costs to better their performance. In their, Hill and Perry (1996) investigated financial performance by using liquidity ratio, profitability ratio, and debt ratios in which the results revealed that high performance companies have high liquidity ratios. İçerli and Akkaya (2006), Edg and Bayraktaroğlu (2007) revealed that the liquidity ratio was significant in company performance and stock return evaluation, while Korkmaz and Karaka (2013) revealed that company performance improves the rate of cash dividends. (Yu et. al. 2013) investigated the relationship of company operating efficiency and performance; the results revealed that companies with good profitability ratios have a good level of efficiency. Hall and Weiss (1967) financial performance study, a positive relationship between company size and profitability was established; Stekler (1964) also used company size to predict profitability.

Another financial performance study conducted by Kosaet. al. (1992), found that during the period of low performance, the company had to make some transformations of their strategies to minimize costs to better their performance. Hill and Perry (1996) investigated financial performance by using liquidity ratio, profitability ratio, and debt ratios in which the results revealed that high performance companies have high liquidity ratios. Korkmaz and Karaka (2013) revealed that company performance improves the rate of cash dividends. (Erdogan, E et. al. 2015) studied the effect of financial ratios on company financial performance, the results showed that there was a positive significant relationship between company performance and company size and current ratio and significantly negative relationship with leverage. (Lakonishok et. al. 1994) conducted a study; they investigated the relationship between financial indicators and stock return of listed companies. The results revealed that companies with higher stock book value have higher stock return than those with lower stock book value. Fama and French (1995) revealed that there is a relationship between company size and book value to market value and stock return in addition to profitability. (Pandey et. al. 2013) declared that liquidity and solvency position levels were unacceptable and there was little association between financial variables adopted in the study. Lazaridis and Tryfonidis (2006) reported a significant relationship between profitability and cash conversion cycle. (Gracia-Terual et. al. 2007) declared that by reducing debt collection period could positively influence company's profitability. Working capital impact on profitability was considered by Muthauva (2009) demonstrated that there is a positive relationship between working capital and profitability. According National Institute of Standards and Technology, Cloud computing is a model for enabling ubiquitous, convenient, on-demand network, access to a shared pool of configurable computing resources e.g., networks, server, storage, application, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. Organizational performance as an analysis of a firm's performance as compared to goals and objectives and the primary outcomes analyzed are financial performance, market performance, shareholder value performance and production capacity performance. (Louise James)The performance is an end result of an activity and an organizational performance is accumulated end result of all the organization's work process and activities. It is necessary for the management of the organizations to measure and

assess the organization performance to use organizations resources in a better way and to earn good organization repute. Managers measure and control organization performance because it leads to better asset management, to an increased ability to provide customer value, to improve measures of organizational knowledge and measure of organizational performance do have an impact on an organization's reputation. (Wheelen and Hunger)The Automotive Mission Plan 2026 seeks to define the trajectory for the automotive ecosystem in India including the regulations and policies that govern research, design, technology, testing, manufacturing, etc. of automotive vehicles, components and services. (SIAM India) The Indian auto component industry produces a comprehensive range of components, which include engine parts, drive transmission and steering parts, suspension and braking parts, electrical parts, equipment and other parts. Over the years, the industry is successfully working on the path to fulfil its mandate of localization and moving toward being global suppliers.

Technology development in the auto component industry worldwide has been primarily driven by the automobile manufacturers, regulations and changing customer preferences. In India, the technology development has followed the developments in the developed world and thus technology acquisition through collaborations and alliances has been one of the preferred routes. Strategic technology management in the auto component industry in India.

(A case study of select organizations, Tapan Sahoo, D.K. Banwet, K. Momaya)

Globalization is having a major impact on the automotive industry. A study of the automotive industry in emerging economies by Mukherjee and Sastry (1996) explains that in the case of Asia other than Japan, countries like South Korea, China and India adopted different paths for technology development in the automobile sector. In case of Korea, the technology development has focussed to become world class and global and the Korean companies invest heavily on R&D. The emphasis of Chinese policy has been to meet domestic demand and JV route has been widely adopted. On the other hand, facilitation of growth has been a key driver of technology policy in case of India. A benchmarking study of the auto component supply chain in India and China by Sutton (2004) reveals that the auto industry supply chain has proceeded very rapidly in both the countries at the level of auto manufacturers and tier-1 suppliers. The main weakness of the supply chain, however,

lies in the fact that best practice techniques are transferred very slowly to the tier-2 suppliers. TA/JV's have been the preferred routes of the Indian auto component suppliers for technology developments. Jain and Jain (2003) suggest that while forming collaborations, the needs of both local and foreign partners are required to be clearly understood. Collaborative strategies for innovation have proved to be beneficial and a framework has been suggested by

Momaya (2008) taking into consideration the organizational boundary and the geographic scope. The framework developed by Momaya can be generally applied to other industries as well including the automotive industry and is found to be very relevant for this purpose. Case studies of technology management in the automobile and auto component industry in India explain the technology management practices in select organizations. Select case studies have been carried out by Sushil and Husain (1999), Husain et al. (2002) and Sahoo (2000, 2004). It has been observed through the case studies that organizations have followed different approaches for technology capability building in India. Also, there is a linkage between OEM technology requirement and auto component manufacturer technology acquisition and development. Based on the requirement of automobile manufacturers, auto component manufacturers have acquired technology through international collaborations.

It envisages that the Indian automotive industry would grow 3.5-4 times in value from its current output and reach around USD 248.6 billion by 2026. Auto components industry to register 13-15 percent growth in FY18 (Research Agency ICRA).The Indian auto component industry is composed of organized and unorganized sector. The organized sector refers to original equipment manufacturers (OEMs) and is engaged in manufacture of high value precision instruments. Whereas, the unorganized sectors comprise of low-valued products catering to after-market services (Make in India). Continued investment and access to technology are key to meeting the AMP 2026 objectives. And investment and access to technology depend upon creating and adhering to a well-designed policy framework based on data and information, understanding of the role and limits of technology, and the cost-effectiveness of policy measures. (Financial Express Newspaper)In an ever-competitive environment where automobile companies are ramping up efforts to manufacture and market their products better, along with growing

competition, pressure on costs is also increasing as product life cycles are shrinking. (Automotive Forum in Pune's seminar on Industry-Academia Collaboration and India's Growth)The imperatives for technology under mass production, therefore, are that it be dedicated to a specific product, very efficient in its execution of a highly specialized task, and capable of operating for extremely long production runs. Once a new technology is installed, it should be modified as little as possible if it is to meet these conditions successfully. While this ideal of minimal modification is rarely achieved, it remains the primary orientation and goal of a mass production organization. (John Paul McDuffie and John F. Krafcik)

Firm innovativeness, and relatedly, organizational adoption of new technologies, are often ascribed central roles with respect to managerial efforts to successfully weather changes and uncertainties in the firm's competitive environment (Damanpour & Evan, 1984). Theoretical explanations for the expected positive relationship between technological innovativeness and performance typically rest on the notion that the introduction of innovations may lead a firm to enjoy a quasi-monopoly position and extract "above normal" rents (Schumpeter, 1942). While business scholars broadly agree on the importance of innovation to organizational survival and prosperity, empirical findings related to the performance implications of firm innovativeness have varied widely across studies (Walker, 2004), with researchers variously reporting positive (e.g., Srinivasan, Lillien, & Rangaswamy, 2002; Tellis, Prabhu, & Chany, 2009), nonsignificant, and even negative associations (e.g., Baum, Calabrese, & Silverman, 2000; Menguc & Auh, 2006). This divergence of results suggests the need for greater conceptual refinement (Sorescu & Spanjol, 2008) as well as the possibility of more nuanced, contextualized linkages between firm technology adoption and performance (Chae, Koh, & Prybutok, 2014).

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**Table 2**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.355	.306		1.162	.249
RELTOT	.174	.060	.199	2.929	.004
RESTOT	-.247	.074	-.226	-3.340	.001
WDTOT	.483	.059	.540	8.163	.000
PERTOT	.458	.053	.574	8.708	.000

a. Dependent Variable: SQTOT					
1 Regression	13.868	4	3.467	49.906	.000 <sup>a</sup>
Residual	6.113	88	.069		
Total	19.981	92			

**Table 1**

a. Predictors: (Constant), PERTOT, WDTOT, RESTOT, RELTOT

To

b. Dependent Variable: SQTOT

find

the relative significance of various factors of study on overall satisfaction towards service quality, a linear regression analysis was conducted on the data. The dependent variable for the regression analysis was SQTOT and the independent variables were RELTOT, RESTOT, WDTOT, and PERTOT independent variables explain 69.4 % of the variation in the dependent variable significantly predicts the outcome variable and it is a best fit for the data.

### Significance

Next table indicates the Next table indicates the significance value for the regression which is  $0.000 < 0.05$ . It predicts that the regression model statistically

It was found from the table that, the r value for the model is 0.833 which is high. The r square for the model is 0.694. It implies that the

It was observed from the Coefficients of regression table that all the independent variables i.e. RELTOT, RESTOT, WDTOT, PERTOT have significance values lesser than 0.05. Therefore they have significant impact on the dependent variable.

## **CONCLUSION & SUGGESTION**

At last but not the least this research concludes that the perception of the respondents can be changed by conducting awareness programs, friendly usage of the website design, security reasons can be kept in mind while offering internet banking services. This research also provides a sort of correlation between different components. As per the basic assumption, it is considered that internet banking service is only good for those consumers who know how to access internet. And further the study also concludes that there is no significant difference in the perception of the consumers on the basis of their gender towards different factors; furthermore the study concludes that there is no significant difference as per the education of the customers towards different factors involved in internet banking.

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# **AN ANALYSIS ON CUSTOMERS APPREHENSION ON INTERNET BANKING: AN EMPIRICAL STUDY OF DEHRADUN REGION**

**Mini Srivastava**, Asst. Professor

Department of Management & Business Studies

Shri Guru Ram Rai Institute of Technology And Science

Dehra Dun

Email id- [mini.abhi13@gmail.com](mailto:mini.abhi13@gmail.com)

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## **ABSTRACT**

The advancement of technology has led to evolution of E-Banking services in the banking sector. The coming up of the Foreign Banks and Private Banks has increased the competition in many folds. It's just because of this particular reason that banks have started making their E-Banking portals according to the needs of the customers as much as possible. Internet banking in today's world has become a subject of receiving great consideration in the banking industry and its regulatory body. As compared with other areas of e-commerce, discussions about Internet banking often go ahead without reference to the actual state of market developments. This research paper further details about the current status of Internet banking and discusses its importance for the banking industry. In the current scenario most of the banks offer Banking through the Electronic medium such as Internet, Mobile Banking as their distribution channels whereas a decade ago, all of these banks were offering their services only through the traditional way that is manually, but as the time is changing, technology is playing a very vital role, but the impact of internet banking on consolidation of banking industry is uncertain. Internet banking may accommodate large institutions, either because of economies of scale and futuristic scope, or because of the need of large capital investments. This current research presents the related technology, security issues, and many other facts which have been drawn from primary survey of some highly reputed banks that offers Internet banking facilities, on the products and services they offer, but as per the latest trend after demonetization internet banking, merchant banking have become compulsory for all

institutions. In addition to that, it investigates the profile of banks that offer Internet banking, using statistical tools, relative to other banks with respect to profitability, cost efficiency, and other characteristics. Questionnaire was used as a source of data collection. The study established that there was a significant positive relationship between Internet banking and customer satisfaction which is consistent with the findings.

**Keywords:** E-commerce, banking, technology, security issues, profitability, cost efficiency and customer satisfaction.

## INTRODUCTION

Banking sector has become the leading business sector in the latest scenario of E-business, unlike other sectors that are still involved in traditional techniques or methods of physical equipments, banks are changing their techniques and dispatching their services through internet (stone man, 2000). These services provided by the banks eliminate various boundaries like physical boundary, geographical boundary and if any limitations related to banking services. As the time is changing and our economy is moving towards cashless transaction, the role of banking services is also increasing. Due to the latest policies of the government banking services through electronic mode have attracted the customers and have increased their attention since late 1990's , may it be insurance companies, brokerage houses, regulators, law makers or anybody around the world. This attention has been in credit, due to the rapid significant growth in electronic commerce. And to the impression that electronic banking and payments are likely to advance more or less in cycle with E-commerce. Industry analyses and highlights the impact of Internet banking on cost efficiency, growth of revenue and further customers convenience have generated ample interest and speculation. Issues related to public policy originated with the growth of internet banking which has increased attention from banking regulators and other departments of government officials. Online banking system is the latest delivery mode for banking services. online banking services relates to various types of service providers such as through this portal customers can request information and carry on other activities such as balance enquiry, Inter account transactions, NEFtsT/RTGS transfers, bill payments, IT payments etc via tele- communication without moving from one place to another i.e. without moving from one place to another i.e. without leaving their homes or

organizations. The new emergence of E-Channel for banks reduces the Personal interaction with the customers where in Traditional banking, the relationship marketing was used as a major tool for business of a bank. Today in modern arena, banks loose the personal relationship contact with their own customers, whereas the customers are mailed regarding any changes. This led to a phenomenon where the customers can do electronic transactions through internet and interaction between the banker and customer was not happening and it reduces the room for loyalty and continuity in banking and customer relations.

The popular services covered under E-banking include:-

1. Automated Teller Machines (ATM)
2. Credit Cards
3. Debit Cards
4. Smart Cards
5. Electronic Funds Transfer (EFT) System
6. Cheque Truncation Payment System
7. Mobile Banking
8. NEFT
9. RTGS

## RISK MANAGEMENT IN E-BANKING

- 1). **Transaction Risk:** There are many causes behind transactional risk, which may arise due to fraud, processing error and many unanticipated events arising in the institutions inability to dispatch products or services. The success of controlling transactional risk is adopted by effective policies & procedures in order to control and meet the new risk exposures introduced by e-banking.
- 2). **Credit Risk:** - These types of risks are not increased by the mere fact that a loan is generated through E-banking channel. However the financial system should take additional precautions while approving loans and advances electrically.
- 3).**Compliance/legal:-** Legal risk is non-compliance in nature with legal or regulatory requirements. Legal risk is directly associated with electrical banking and it increases as the use of E- banking extends. E-banking is a new delivery channel where rules and regulations

governing the electrical delivery of products and services of certain financial institutions is ambiguous.

**4) Reputation Risk:** Reputation risk is the risk of negative public opinion, which may further result in critical damage of funding or customers.

An evaluation was done to analyzed the top five countries in the world with the number of internet users and the study stated that India is the second largest internet user after china with the total number of 354,000,000 customers

S.NO	Country	Population, 2015 Est	Internet Users Year 2000	Internet Users June 2015	Penetration (% Population)	% Growth 2000 - 2015
1	China	1,361,512,535	22,500,000	674,000,000	49.5 %	2,895.6 %
2	India	1,251,695,584	5,000,000	354,000,000	28.3 %	6,980.0 %
3	United States	321,362,789	95,354,000	280,742,532	87.4 %	194.4 %
4	Brazil	204,259,812	5,000,000	117,653,652	57.6 %	2,253.1 %
5	Japan	126,919,659	47,080,000	114,963,827	90.6 %	144.2 %

{Source: - <sup>1</sup>[www.internetworldstats.com](http://www.internetworldstats.com), \*Top 5 Internet User Statistics were updated for June 30, 2015}

## REVIEW OF RELATED LITERATURE

In today's situation of Retail banking particularly in India, as the numbers of banks are increasing, with the latest impact of demonetization, services related to internet banking have increased which have lead to further growth of merchant banking, but the issue arises that are the customers actually satisfied or not and what are the principles of retail banking which have lead to the satisfaction and dissatisfaction of its customers. The ability` of present levels of satisfaction and in particular, the primary factors of satisfaction are helpful

to those in the industry, thereby allowing them to spotlight and further strengthen the crucial areas that have lead to highly satisfied customers. Earlier results have stressed in-branch variables and specifically in staff, branch location and convenience were the most noteworthy variables that had some bearing on customer satisfaction in retail banking.

**Vikas Gautam (2013)** “Measuring Attitudes of Consumers: An Empirical Exploration in Indian Context with Reference to Banking Services” in his study he analyzed that certain variables like demographic and socio-culture had a very significant impact on customers’ perception towards the banking services in the Indian market. His study further concluded that banking services have a very crucial impact on the young generation. His findings provided some beneficial vision for banking institutions in the market to settle certain marketing strategies on the basis of demographic and socio-economic variables.

**Meenakshi Sharma and D.S Chaubey (2014)** “an Empirical study of customer experience and its relationship with customer satisfaction towards the services of banking sector” through their study they stated that customers experience have a impactful relationship between customers overall trust, feeling and their satisfaction which further helps in delighting the customer. And further their study suggested that customers experience towards various services of the banks have been should be analyzed.

**Ali Reza Montazemi and Hamed Qahri-Saremi (March 2015)** Elsevier “factors affecting adoption of online banking: - a Meta analytic structure equation modeling study” in their study they stated that despite of so many available benefits of Internet banking but still the rate of operation is low, they reviewed literature of online adoption of Internet banking in order to introduce two research models to analyse the variables affecting pre adoption of online banking and post adoption of online banking.

**Yogesh k.Dwivedi, Ali A Alalwan & Nripendra P.Rana (2015)** “consumer adoption of internet banking in Jordan: - examining the role of hedonic motivation, habit, self efficiency and trust” their main aim to study was to identify the components that anticipate human behavioral intention for selection of Internet banking in place like Jordan. There were four components in model-Hedonic that is trust, self efficiency, habits and motivation.

**Ms. Fozia (2013)** “A Comparative Study of Customer Perception toward E-banking Services Provided By Selected Private & Public Sector Bank in India” their study shows that the perception of the customers towards internet banking differs demographically that is people of different age group had different perception and people of different occupation had different perception. And there study concluded that certain demographic factors have a very significant impact on internet banking particularly occupation and age

**Er. Vishal Mohan Goyal & Mrs. Gania Goyal (2012)** “Customer perception towards Internet banking w.r.f to private and foreign banks in India” their study analyzed that risk bearing factor between the customers using internet services and the customers not using internet services was done and risk was calculated in terms of psychological, financial, safety reasons and they concluded that customers not using internet services was much meaningful than those customers not using internet services.

**Divya Singhal and V. Padhmanabhan (2008)** “A Study on Customer Perception towards Internet Banking: Identifying Major Contributing Factors” this study explores different components which were responsible for internet banking and customers experience on various applications of Internet banking. There research also took into consideration certain components which are taken to access Internet Banking.

**Abdulaziz Abdulrazaq Hashim and Dr. Mohammed n. Chaker** “customers' perception of online banking in Qatar” this research was based on primary sources that banking sector is depending highly on IT sector and are spending large amount of money on Technology in order to reduce operational cost and increase competitive advantage over better service providers may it be ATM services, Mobile Banking, telephone banking and the most important of all is the Internet Banking.

**Ms. Varsha Kuchara (2012)**” A Study on Customers’ perception towards Internet Banking at Ahmadabad City” there study reflected certain details about Internet Banking that it is the latest mode of transactions for banks in India. Due to this mode life of customers became convenient, as the life of people is becoming fast, this mode makes their life easy but still this medium has not been accepted or adopted by people of India fully.

**R. Iyer Harihara Sudhan & Pavithra Varadharajalu (2012)** “A Study on Customer Perception and Awareness in the Usage of Internet Banking” This research describes the current state of Internet banking and discusses its implications for the banking industry. In today’s scenario most of banks offer Banking through the Electronic medium such as Internet, Mobile Banking as their distribution channels whereas a decade ago, all of these banks were generally offering their services only through the traditional way.

**C. S. Ramanigopal, G. Palaniappan, N. Hemalatha and A. Mani(2011)** “Customer perception towards internet banking services with special reference to erode district” this research focused on E-commerce and its favorable circumstances to enhance banks relationship with its customers by selling additional services and proving their existence in market.

**Jabnoun & Al-Tamimi**, (2002) Study entitled "Measuring Perceived Service Quality at UAE Commercial Banks" this research explored by primary sources which analyzed many dimensions which were responsible for the growth of Internet banking services , and the dimensions responsible were human skill factor, concrete skill factor, empathy and the response of the customer.

## **OBJECTIVE OF THE RESEARCH**

The current research desires to scrutinize perception of the customer towards different components of Internet Banking and on the basis of the perception of the respondents towards various applications of Internet Banking services. The following objective has been designed to examine the progress of Internet Banking and their futuristic survival in the market.

- a) To find the factors associated with customer’s apprehensions towards the adoption of Internet banking.
- b) To identify different services available to customers through internet banking.
- c) To analyze the effect of the quality of banking services for the satisfaction of the customers.
- d) To find significant factor of internet banking.

## **Hypothesis**

Hypothesis have been developed to find best solution to the problem of the study, on the basis of sound scientific methodology, hypotheses have been developed in the perception of the respondents about various dimensions of the service quality across various demographic attributes:-

### **On the basis on gender**

$H_0$  (1) = there is no significant difference in the perception of the respondents on the basis of their gender on the service quality factors of internet banking.

$H_1$ = there is significant difference on the perception of the respondents on the basis of their education on the service quality factors of internet banking.

### **On the basis of education**

$H_0$  (1) = there is no significant difference in the perception of the respondents on the basis of their education on the service quality factors of internet banking.

$H_1$ = there is significant difference on the perception of the respondents on the basis of their gender on the service quality factors of internet banking.

## **RESEARCH METHODOLOGY**

The present research work being descriptive and exploratory in nature, a structured questionnaire was developed and used for getting insight into feelings and perceptions of customers towards online banking facility provided by modern view of banks. Customers using internet banking are taken into consideration while writing this paper. To measure the intensity of parameters a close ended questionnaire was used. A well-structured questionnaire was designed covering various parameters laid down in objectives and was administered on 93 respondents, selected conveniently from various regions of Uttarakhand using snowball sampling method. To collect the necessary information, various parameters were developed with the help of literature.

## **AREA OF STUDY**

This research is based on the customer's perception in Dehradun region. Therefore, study covers state of Uttarakhand to the fulfillment of objectives of the study.

## **ANALYSIS AND FINDINGS**

### **Demographic Characteristics of Respondents**

<b>Category</b>		<b>Count</b>	<b>Percentage</b>
<b>Gender</b>	Male	33	35.5%
	Female	60	64.5%
<b>Education</b>	Post graduation	23	24.7%
	Graduation	46	49.5%
	Professional	15	16.1%
	others	9	9.7%
<b>Age</b>	20-30 years	21	22.6%
	30-40 years	15	16.1%
	40-50 years	12	12.9%
	50 and above	45	48.4%
<b>Occupation</b>	Govt. service	15	16.1%
	Private service	15	16.1%
	Business	48	51.6%
	Student	15	16.1%
<b>Income Level</b>	50,000 to 2,00,000	23	24.7%
	2,00,000 to 5,00,000	46	49.5%
	5,00,000 to 8,00,000	15	16.1%
	8,00,000 and above	9	9.7%
	<b>Total</b>	<b>93</b>	<b>100</b>

**Table 3**

**Interpretation:**

The information presented in the above table revealed that 35.5% of the respondents are male and 64.5% of the respondents are female. As far as education is concerned 24.7% of the respondents are post graduate 49.5% of the respondents are graduate ,16.1% of the respondents are professionals and the remaining 9.7% of the respondents are others. The people between the age group of 20-30 years were 22.6%, 30-40 years age group people were 16.1%, 12.9% of the people were between the age group of 40-50 years and the remaining 48.4% of the respondents are in the age group of 50 years and above. When occupation was taken into consideration 16.1% are in government services, 16.1% are in private services, 51.6% belong to business group and the remaining 16.1% are students. In case of income level 24.7% respondents come under income level of 50,000-2,00,000,49.5% respondents come under income level of 2,00,000-5,00,000, 16.1% fall under income level of 5,00,000-8,00,000 and the remaining respondents 9.7% respondents fall under income level of 8,00,000 and above. Hence it is clear that maximum numbers of respondents are females, who are graduates between the age group of 20-30 years and people who are running their own business with an income level of 2,00,000-5,00,000

**Where do you have your bank Account?**

		Frequenc y	Percent	Valid Percent
Valid	public sector bank	30	18.4	32.3
	private sector bank	31	19.0	33.3
	foreign bank	32	19.6	34.4
	Total	93	57.1	100.0

**Table 4****Interpretation:**

on the basis of the survey the study examined that 32.3% respondents are those who have a bank account in public sector bank 33.3% of the respondents have their bank account in private sector banks and the remaining 34.4% respondents have their bank account in foreign banks.

### Are you satisfied with the internet banking services of your bank?

		Frequency	Percent	Valid Percent
Valid	Yes	61	37.4	65.6
	No	32	19.6	34.4
	Total	93	57.1	100.0

**Table 5**

### **Interpretation:**

On the basis of the survey the study examined that 65.6% respondents are those who were actually satisfied with the internet banking services provided by their bank and 34.4% of the respondents were not satisfied with the internet banking services provided by their bank.

### **ANOVA of gender and factors:**

**Table 6**

**ANOVA**

		Sum of Squares	Df	Mean Square	F	Sig.
RELTOT	Between Groups	.235	1	.235	.836	.363
	Within Groups	25.636	91	.282		
	Total	25.872	92			
RESTOT	Between Groups	.103	1	.103	.557	.457
	Within Groups	16.745	91	.184		
	Total	16.847	92			
WDTOT	Between Groups	.067	1	.067	.245	.622
	Within Groups	24.889	91	.274		
	Total	24.956	92			
PERTOT	Between Groups	.043	1	.043	.124	.726
	Within Groups	31.341	91	.344		
	Total	31.383	92			
SQTOT	Between Groups	.110	1	.110	.501	.481
	Within Groups	19.871	91	.218		
	Total	19.981	92			

From the above table it was found that for the first factor i.e. Reliability (**RELTOT**) the significance is  $0.363 > 0.05$ . It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their gender on the reliability factors of internet banking. Responsiveness (**RESTOT**) the value of significance is  $.457 > .05$ . It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their gender on the responsive factors of internet banking. Website design dimension (**WDTOT**) the significant is  $.622 > .05$  therefore It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their gender on the Website design factors of internet banking. Personalization dimension (**PERTOT**) the significance is  $.726 > 0.05$ . It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their gender on the Personalization factors of internet banking. Hence null hypothesis is accepted, overall perceived service quality (**SQTOT**) the significance is  $.481 > 0.05$  It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their gender on the service quality factors of internet banking. Hence null hypothesis is accepted .therefore the above study concludes that there is no significant difference between males and females perception about reliability factor, responsiveness factor, website design, personalization dimension and overall perceived service quality of the respondent's towards internet banking.

### On the basis of education

**Table 7**  
**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
RELTOT	Between Groups	.824	3	.275	.976	.408
	Within Groups	25.047	89	.281		
	Total	25.872	92			
RESTOT	Between Groups	.802	3	.267	1.482	.225
	Within Groups	16.046	89	.180		
	Total	16.847	92			

WDTOT	Between Groups	.177	3	.059	.212	.888
	Within Groups	24.779	89	.278		
	Total	24.956	92			
PERTOT	Between Groups	.596	3	.199	.574	.633
	Within Groups	30.787	89	.346		
	Total	31.383	92			
SQTOT	Between Groups	.336	3	.112	.507	.678
	Within Groups	19.645	89	.221		
	Total	19.981	92			

From the above table it was found that for the first factor i.e. Reliability (**RELTOT**) the significance is  $0.408 > 0.05$ . It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their education on the reliability factors of internet banking. Responsiveness (**RESTOT**) the value of significance is  $.225 > .05$ . It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their education on the responsive factors of internet banking. Website design dimension (**WDTOT**) the significant is  $.888 > .05$  therefore It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their education on the Website design factors of internet banking. Personalization dimension (**PERTOT**) the significance is  $.633 > 0.05$ . It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their education on the Personalization factors of internet banking. Hence null hypothesis is accepted, overall perceived service quality (**SQTOT**) the significance is  $.678 > 0.05$  It implies that null hypothesis is accepted. In other words, there is no significant difference on the perception of the respondents on the basis of their education on the service quality factors of internet banking. Hence null hypothesis is accepted .therefore the above study concludes that there is no significant difference as per the education of the respondents perception towards reliability factor, responsiveness factor, website design, personalization dimension and overall perceived service quality of the respondent's towards internet banking.

**Table 9**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients			Standardized Coefficients	t	Sig.	.26357
	B	Std. Error	Beta				
1	(Constant)	.355	.306		1.162	.249	
	RELTOT	.174	.060	.199	2.929	.004	
	RESTOT	-.247	.074	-.226	-3.340	.001	
	WDTOT	.483	.059	.540	8.163	.000	
	PERTOT	.458	.053	.574	8.708	.000	

a. Dependent Variable: SQTOT

a. Predictors: (Constant), PERTOT, WDTOT, RESTOT, RELTOT

**ANOVA<sup>b</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.868	4	3.467	49.906
	Residual	6.113	88	.069	
	Total	19.981	92		

a. Predictors: (Constant), PERTOT, WDTOT, RESTOT, RELTOT

b. Dependent Variable: SQTOT

To find the relative significance of various factors of study on overall satisfaction towards service quality, a linear regression analysis was conducted on the data. The dependent variable for the regression analysis was SQTOT and the independent variables were RELTOT, RESTOT, WDTOT, and PERTOT.

It was found from the table that, the r value for the model is 0.833 which is high. The r square for the model is 0.694. It implies that the independent variables explain 69.4 % of the variation in the dependent variable.

Next table indicates the significance value for the regression which is  $0.000 < 0.05$ . It predicts that the regression model statistically significantly predicts the outcome variable and it is a best fit for the data.

It was observed from the Coefficients of regression table that all the independent variables i.e. RELTOT, RESTOT, WDTOT, PERTOT have significance values lesser than 0.05. Therefore they have significant impact on the dependent variable.

## **CONCLUSION & SUGGESTION**

At last but not the least this research concludes that the perception of the respondents can be changed by conducting awareness programs, friendly usage of the website design, security reasons can be kept in mind while offering internet banking services. This research also provides a sort of correlation between different components. As per the basic assumption, it is considered that internet banking service is only good for those consumers who know how to access internet. And further the study also concludes that there is no significant difference in the perception of the consumers on the basis of their gender towards different factors; furthermore the study concludes that there is no significant difference as per the education of the customers towards different factors involved in internet banking.

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# **IDENTIFYING THE PERSONALITY TYPES AMONG WOMEN SHOPPERS AND THEIR INFLUENCE TOWARDS THE RETAIL STORE DIMENSIONS AMONG THE SUPERMARKETS IN PUDUCHERRY**

**Dr.K.Ramprabha**

Assistant Professor, Department of Business Administration, Vels Institute of Science Technology and Advanced Studies (VISTAS)  
Email: [ramprabhaalagappan@gmail.com](mailto:ramprabhaalagappan@gmail.com)

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## **INTRODUCTION**

**T**he subject matter of consumer shopping behaviour has been focused over individuals and the aspects that have an impact on their decisions to spend their income on consumption-related items. The conception and conjecture of consumer shopping behaviour have pinched upon various disciplines as psychology, sociology, social psychology, cultural anthropology, and economics.

Personality is often a good predictor of one's consumer behaviour. A personality is the computation of an individual's traits, which on the other hand make him unique. This also includes a person's level of confidence, innovativeness, self-sufficiency, friendliness, emotional intelligence, and assertiveness. Early attempts at understanding consumer behaviour relied mainly on psychoanalytic theory, which stated that the human personality system consists of the id, ego and superego. Freudian theory was considered to be the foundation for this application, and created the scope of motivation research. Socio-psychological theory identifies the association between the individual and society. The theory says that social rather than biological instincts are the most important factors in building personality, and that our behaviours are motivated to meet those needs.

In the retailing scenario, shopping behaviour is defined as "the actions people engage in when choose, purchase and use the products so as to satisfy their needs and desires". The total conjecture and idea of shopping has undergone an attention by drawing change in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India.

Women are considered to be the potential customers in the world as they are in command of almost eighty percent of the household spending. According to Laermans (1993), “Women were redefined as proficient shoppers and their performance of their traditional roles was thoroughly ‘commodified’ or redefined in terms of commodities.” Shopping behaviour covers the fundamental influences and motives for purchase of these shoppers. The factors like economic, cultural, technological and political factors influence the retail shopper behaviour. Goswami and Mishra (2009) noted that the dimensions that are significant for grocery store choice are: price-conscious, product assortment, behaviour of the store staff, cleanliness, quality, deals, promotions, ease of shopping, location/distance, in-store specialty, store signage/ambience, parking, expenditure, number of times shopping and so on.

This article aims to identify the personality profiles of the women shoppers who do their shopping at the organised retail stores and also study the retail store factors that have an influence over the shopping behaviour of these personality types.

## **REVIEW OF LITERATURE**

Crosby and Grossbart (1984) made a report stating that low correlation between measures of personality traits and discrete instances of consumer behaviour in many past research works. Sproles and Kendall (1986) believed that consumer decision-making style is a mental orientation which characterizes how consumer approaching process of making purchasing choices is. The study also admitted that a consumer may have different consumer styles for each product category because some flexibility in consumer styles is likely to occur just as individual personality is flexible. Arnould, Prize and Zinkhan (2002) indicated personality as the distinctive and enduring patterns of thoughts, emotions, and behaviours that characterized each individual’s adaptation to the situations of his or her life. They also revealed that personality traits only explain about 10 percent of the variation in consumers’ purchase, product preference.

## **OBJECTIVE OF THE STUDY**

- To analyze the influence of retail store attributes on the personality types of the women shoppers

## RESEARCH METHODOLOGY

The study is based on descriptive research method. The personality scale was adapted “A Short Rating Scale as a Potential Measure of Pattern a Behaviour” developed by R.W. Bortner (1969). This scale contains seven questions to identify the consumers’ personality. The aim of this scale is to identify whether personality of the women respondents are influenced by the organized retail store factors. An eight point semantic differential scale was used to measure the type A and type B personality of the respondents. The scale consisted of 14 questions divided into two parts based on 8 point semantic differential scale method. The respondents were asked to circle any number from 1- 8. The scores are totaled and it is multiplied by 3. Based on the result of the total score the respondents with points less than 100 are considered to be Type B and the respondents with points above 100 are considered to be Type A personality. The table 1 illustrates the personality profiles of the shoppers.

**Table 1: Personality Profiles**

Type A	Type B
Always on the move	Not concentrated about time
Walk, eat and speak rapidly	Always patient
Competitive	Doesn't brag
Measures success by quantity	Plays for fun, not to win
Always impatient	Relaxes without guilt
Constantly feels under time pressure	Has no pressing deadlines
Does two things at the same time	Mild mannered
Aggressive	Never in a hurry

**Source :** Adapted from R.W.Bortner, “A Short Rating Scale as a Potential Measure of Pattern Behaviour”, *Journal of Chronic Diseases*, Vol. 22, 1966, pp. 87-91.

Using the scale the personality profiles of the women shoppers are identified. Based on the results the respondents were administered with a questionnaire containing the factors that influence the shoppers. The aim of this questionnaire is to identify whether personality of the women respondents are influenced by the organized retail store factors. The study was pilot tested and the detailed research was carried on 470 respondents. The sample size was determined using the mean and standard deviation values of the retail scale

(Ramprabha, 2017) from the pilot study. The respondents were selected using mall intercept sampling. Purpose of the study was explained to the respondents and the response was identified by the researcher on personal interview method. Personal interviews were done whereby questionnaires were administered to the selected sample in order to extract detailed information on the topic and clarify complex questions. The secondary data were collected through books, journals, magazines and from internet sources. The research instrument is then analyzed using independent sample t-Test.

## **ANALYSIS AND INTERPRETATION**

**Table 2: Mean, Standard Deviation of Retail Factors on Personality of the Respondents**

Retail Factors	Type of personality	N	Mean	SD	t value	Sig
Atmospherics	Type A	240	3.84	.79	9.73	<0.001**
	Type B	230	3.05	.94		
Layout	Type A	240	3.76	.86	9.36	<0.001**
	Type B	230	2.96	.98		
Merchandise	Type A	240	3.71	.81	10.99	<0.001**
	Type B	230	2.82	.93		
Social	Type A	240	3.77	1.02	11.79	<0.001**
	Type B	230	2.63	1.05		
Price/promotions	Type A	240	3.89	.77	13.47	<0.001**
	Type B	230	2.80	.98		
Service	Type A	240	3.99	.79	13.25	<0.001**
	Type B	230	2.91	.97		
Staff	Type A	240	3.94	.85	13.82	<0.001**
	Type B	230	2.71	1.06		

**Source:** Primary data; \*5 percent level; \*\*1 percent level

From the table 2 it is interpreted that the respondents who are type A personality are highly influenced by the store atmospherics factors as seen from the mean value 3.84 and the respondents of type B personality are less influenced by the store atmospherics factors with a mean value 3.05. The mean value varies from 3.84 to 3.05 which indicate that the type of personality of the respondents is influenced high to low level for store atmosphere factors.

The P value indicates that there is a significant difference between personality type of the respondents and the store atmosphere factors at 1 percent level.

The respondents who are type A personality are highly influenced by the layout factors as seen from the mean value 3.76 and the respondents of type B personality are less influenced by the layout factors with a mean value 2.96. The mean value varies from 3.76 to 2.96 which indicate that the type of personality of the respondents is influenced high to low level for store layout factors. The P value indicates that there is a significant difference between personality type of the respondents and the store layout factors at 1 percent level.

The respondents who are type A personality are highly influenced by the store merchandise factors as seen from the mean value 3.71 and the respondents of type B personality are less influenced by the store merchandise factors with a mean value 2.82. The mean value varies from 3.71 to 2.82 which indicate that the type of personality of the respondents is influenced high to low level for store atmosphere factors. The P value indicates that there is a significant difference between personality type of the respondents and the store merchandise factors at 1 percent level.

The table shows that the respondents who are type A personality are highly influenced by the social factors as seen from the mean value 3.77 and the respondents of type B personality are less influenced by the social factors with a mean value 2.63. The mean value varies from 3.77 to 2.63 which indicate that the type of personality of the respondents is influenced high to low level for social factors. The P value indicates that there is a significant difference between personality type of the respondents and the social factors of the store at 1 percent level.

The table shows that the respondents who are type A personality are highly influenced by price/promotion factors as seen from the mean value 3.89 and the respondents of type B personality are less influenced by price/promotion factors with a mean value 2.80. The mean value varies from 3.89 to 2.80 which indicate that the type of personality of the respondents is influenced high to low level for price/promotion factors. The P value indicates that there is a significant difference between personality type of the respondents and price/promotion factors of the store at 1 percent level.

The table shows that the respondents who are type A personality are highly influenced by the service factors as seen from the mean value 3.99 and the respondents of type B personality are less influenced by the service factors with a mean value 2.91. The mean value varies from 3.99 to 2.91 which indicate that the type of personality of the respondents is influenced high to low level for service factors. The P value indicates that there is a significant difference between personality type of the respondents and the service factors at 1 percent level.

The table shows that the respondents who are type A personality are highly influenced by the store staff factors as seen from the mean value 3.94 and the respondents of type B personality are less influenced by the staff factors with a mean value 2.71. The mean value varies from 3.94 to 2.71 which indicate that the type of personality of the respondents is influenced high to low level for staff factors. The P value indicates that there is a significant difference between personality type of the respondents and the staff factors at 1 percent level.

The results demonstrate that the personality types of the women shoppers have a significant influence over the retail store factors. It is noted that respondents of type A personality are highly influenced by the retail factors and the respondents of type B personality are less influenced by the retail factors. (Newstrom, John and Davis, 2006) stated that the Type A personality respondents, enjoy their success so much that they disregard their surrounding stress. Because of their concern for quantity and speed, the type A personality respondents rely on their past experience, rather than allocating time to develop unique solutions. Type B personality respondents seem to have an inherent tendency to accentuate negative aspects of the service (Robbins, 2007). Bhasin (2006) inferred that consumers purchase products to reflect their personality and noted that the retailers should merchandise their products keeping in mind the personality types of their target customers.

## **CONCLUSION**

This study enables the retailers to understand the way the customers perceive the various retail factors as by understanding their personality types. Hence the study helps the retail manager in making complex decisions in selecting their target markets and retail locations;

determining what merchandize and service to offer; training and motivating sales associate and deciding to price, promote and present merchandize. It is found that women shoppers, despite of their personality they are influenced towards the retail factors of the store. They find supermarkets as a one stop shop for all their requirements to be fulfilled. Though they are regular to the store still they have the habit of comparing the price and quality with the other stores. This is where the retailers have to take the lead and attract them with new offers styles and discounts as well assortments in the products and inclusion of newbie's. This is would enable to hold the shoppers and make them potential customers in future.

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## A CASE STUDY CONDUCTED ON SAKSHI FINANCIAL SOLUTIONS

**S. Zeshaan.Ali.**<sup>1</sup>, MBA Student – KLE's IMSR COLLEGE, Hubli,, Affiliated to Karnataka University Dharward. Karnataka, India.  
Email: zeeshaan2696@gmail.com

**Mr.Ningaraj.Garag** <sup>2</sup>, MBA Student – KLE's IMSR COLLEGE Hubli, Affiliated to Karnataka University Dharward. Karnataka, India.

**Prof. Saptarshi Mukherjee** <sup>3</sup>, Faculty – KLE's IMSR COLLEGE Hubli, Affiliated to Karnataka University Dharward. Karnataka, India.

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### ABSTRACT

**S**akshi Financial Solution is into the business of providing all the financial products at one roof which means they give services like loans, tax planning and tours & travels facility for the customer at their convenience. It provides financial Services like loans, tax planning, tours and travels and so on provided at one particular place. The owner said “Big Bazaar inspired me to take this kind of challenge in service sector”. The sakshi financial solution is an emerging start-up and shaping itself to make its place in the market with is unique idea. There were many challenges faced to make the idea into a business. The owner said “Service required terms and time anything in service sector to develop need to meet maximum customers and clients every day”.

**Keywords:** Capital Investment, Tax Planning, Challenges

### Sakshi Financial Solution

#### Owners Description:

Navaneet G Malagi & Shweta are the registered founders of the Sakshi Financial Solution. It is the young and emerging start up which consists of providing the various financial products and financial advice to the clients. It provides financial Services like loans, tax planning, tours and travels and so on provided at one particular place. The owner said “**Big Bazaar inspired me to take this kind of challenge in service sector**”.

Sakshi Financial Solution is into the business of providing all the financial products at one roof which means they give services like loans, tax planning and tours & travels facility for the customer at their convenience. It even provides the financial advice to the various clients who want to go for any financial investment. It is the business which covers the financial services sector and focuses on revolutionizing the sector with the base of converting the traditional problems of customer by providing the most feasible and convenient solution at one place.

### **Companies' vision and mission:**

- To revolutionize the financial service sector
- To reach the maximum clients and provide the feasible financial service to various customer at one roof.

### **When it got incorporated?**

It is incorporated as young start up since this year and the operations is commenced from this particular year. It is just started and shaping up still in the market.

### **Capital investment:**

Invested as an initial capital of rupees 1.5 lakhs and it is funded by own from the savings & Still hiring the people who can work for an expert in financial sector.

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payments banks to be created recently thereby adding to the types of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64 per cent of the total assets held by the financial system.

Sakshi Financial Solution it comes under this type of sector where it provides all financial products and financial advice to various clients at one roof.

### **Type of business:**

Providing the various financial products and advisory services to the clients at one roof. Like the concept of big bazaar providing every financial facility at one roof such as loans, tax planning and various alternatives and helps the clients in selecting the most feasible solution to their financial problem.

The common loan types available in India:

1.     **Home loan::**

1.    Loan for Land Purchase
2.    Loans for repairing and extension of your home
3.    Loan for building a home

These different types of home loans can be useful to you in buying a property or a home of your own.

2.     **Personal Loan:**

Personal loans are meant to meet the personal needs of an individual. People can use this money for anything they want.

3.     **Vehicle loan:**

Vehicle loan or to be more specific car loans fulfills your dream of having a car or a bike. This loan is offered by almost all the banks in India.

4.     **Education Loan:**

Banks also provide education loans to their customers. These loans provide better study opportunities for the students who are financially backward.

5.     **Agricultural Loans**

India is a land of farmers. Most of the people in India till date are dependent on agriculture. Therefore, it is very important to pay attention to the farmers also. There are different types of loans offered by banks for the farmers which can help them in their agriculture practices. They can buy the seeds, insecticides, tractors and other equipment needed for agriculture

from the money they get from the loan and can pay the money back once their crops are sold.

### **Tax planning:**

Tax planning is the analysis of one's financial situation from a tax efficiency point of view so as to plan one's finances in the most optimized manner. Tax planning allows a taxpayer to make the best use of the various tax exemptions, deductions and benefits to minimize their tax liability over a financial year. Tax planning is a legal way of reducing income tax liabilities; however caution has to be maintained to ensure that the taxpayer isn't knowingly indulging in tax evasion or tax avoidance.

**Giving all these facility to the respective clients and various customer at a one platform and advising them to choose the best possible option at their convenience is what this startup is having the main business idea and providing the best possible financial solution.**

### **Challenges faced:**

The sakshi financial solution is an emerging start-up and shaping itself to make its place in the market with its unique idea. There were many challenges faced to make the idea into a business. The owner said "**Service required terms and time anything in service sector to develop need to meet maximum customers and clients every day**". The only financial struggle is to make up for the clients to agree for the loans to be provided to business people as unsecured loan compared to secured loan taken by the salaried people and advising them financially. It is purely service related of providing the all financial aid to various people at one roof. At present there is no any loan or debt taken by the company at this stage. But the following are the challenges it had to undergo as:

- 1) To make people understand about this concept.
- 2) Convince the clients and make them realize about how it functions practically.
- 3) Bringing everything at one roof as financial products.
- 4) To manage the funds as it was invested by owner himself and not taken from any outsiders.

Financial services organizations are currently facing unprecedented public and government scrutiny. For many of them this involves an uphill struggle to re-establish economic strength and customer trust. Additionally, in this era of telephone and internet banking, the distance between institutions and customers has increased to the point where discerning customers are now defining customer service as a crucial element in their choice of financial institution. The Data Monitor Report 2010 states that ‘Service must be innovative and flawless’, with institutions distinguishing themselves through consistently excellent delivery and problem solving. Doing more with less is an ongoing business mantra, but recent economic changes have made it a particular focus for the financial sector. Many companies are conducting entire reviews of existing business procedures to see where efficiencies can be found, and the processes used to manage business information should not be overlooked in this.

Competition in the financial sector is fierce - market consolidation, technological advances and global, 24/7 business environments have intensified the competition for market share and profit in the financial services industry. As the demand for innovative products and services continues to increase, time-to-market and brand differentiation have become key factors for success. Using technology to respond rapidly to both opportunities and challenges will mark out the financial leaders of tomorrow. But where do you start with the solutions on offer? Sakshi financial solution is trying to overcome all the challenges by its sophisticated idea of providing the better financial solution to the various customers and clients at one roof with its unique idea as start up.

## **CONCLUSION**

Sakshi Financial Solution is emerging and young startup which has established and making its presence in the market and unique concept of providing the every type of financial service and advice to the various business clients and customer and making the customer to utilize the platform for getting every financial aid at one umbrella. It is merely focuses on business people for solving their financial struggle of getting the various alternatives and choosing the best option and at the least cost.

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# **INTERNAL MARKETING AND TOTAL QUALITY MANAGEMENT**

**Dr. Teena Mishra**, Assistant professor  
Patel college of science and technology, Bhopal  
Address: 37/1, D-sector sainath nagar, kolar road, Bhopal  
E-mail: tina\_nirmala@yahoo.com

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## **ABSTRACT**

**I**mportance of total quality management concept emerged in 1980. TQM improves organizational performance and efficiency. Various companies have been used TQM concept, for the organizational success. Now days there are fierce competition in every field especially in service industries. Various service industries, such as banking, tourism, hospitality, educational sector, etc. Thus, there is a need to strengthen marketing system. Later on, internal marketing come out as an idea to improve service quality. The TQM concept failed due to lack of management commitment, poor training of employees and demoralized employees etc. Therefore, this concept declines in 1990. Internal marketing overtakes the total quality management concept. According to various authors internal marketing is to improve service quality. But, service quality is not the only thing that is improved by internal marketing. Various authors understand the purpose of total quality management and internal marketing is same therefore, it is tricky to implement these concepts in the right way. It is found that internal marketing is not only useful for service industries, but also for manufacturing industries. But due to perplexity in its concept it becomes difficult to implement it in the right direction. Marketing area is expanded and it is the responsibility of every employee in the organization. It is not easy to attract, motivate and retain customers. Thus, it becomes necessary to bring a new marketing concept that works on the internal customers (employees) that is internal marketing. Thus marketing is not just to focus on the external customers but also on the internal customers.

What is the relationship between total quality management and internal marketing and how they differ with each other is the rationale behind writing this research paper. In this

literature review focus is on to differentiate internal marketing with the total quality management.

Keywords: TQM (Total quality management), internal marketing, service quality.

## INTRODUCTION

Quality management and internal marketing has been debated topic since its evolution. The reason behind this is its diverse meaning due to various authors explained it in their own way. But if we look towards its objective both the concepts are more likely similar according to researchers. However, when the matter concerned about its implementation, there is a need for more clarification in their notion. Internal marketing is the recent concept and it is evaluated by three stages i.e. to satisfy internal customers so that service quality can be improved, improves internal customer orientation, improves inter-functional coordination and conflict resolution among internal customers. Quality management works as a process to improve overall quality of the product and services of the organization. The end-goal of its process is external customers. Internal marketing says that first improves quality of internal customer service, then only you can improve quality of external customer service. It is not erroneous to say that internal marketing and external marketing both works for external customers. After the development of internal marketing idea, it is found that it does not only improve service quality but improves overall organizational performance. It also helps to gain competitive advantage, profitability, internal service quality, market orientation etc.

- Quality Management
- Evolution of quality management

**Total quality management is evolved from four stages: Inspection, statistical quality control, quality assurance and strategic quality management. In 1980, it has been started to improve organizational performance. Various organizations used this by implementing it by team management, directly linked performance with reward, promotions, and training, etc. It is a significant concept to improve organizational efficiency and to improve product quality. Organizations that are practicing it successfully are Ericson Inc. of Lynchburg, AT and T wireless services, Champion International**

Corporation's paper, and wood pulp products plant operations, Xerox, Motorola, Dupont, Ford, General motors' etc. The modern look of TQM is to give customer satisfaction.<sup>1</sup>

Many organizations used TQM is a process based concept. It has been backfired due to lack of management commitment, poor training of employees, demoralized employees, etc. All the works of quality improvement are in the hands of middle management. Therefore, its usage turns down in 1990. For successful implementation of total quality management, internal marketing initiated as a new concept. In TQM concept, it is already depicted that focus is towards internal and external customers both. To satisfy the need and requirements of internal and external customers both is the priority to improve the quality of products and services of the organization. Thus TQM concepts clear that internal customers play an imperative role to improve organizational product and service quality. According to various authors, IM is to satisfy internal customers to improve service of the organization. Thus meaning is similar to the TQM concept. Thus, there is a need to differentiate IM with the TQM concept.<sup>2</sup>

- *Internal Marketing*

Internal marketing is defined by various authors. One of the recent definition is given below:

Pride and Ferrell (2003) stated that internal marketing is the exchange between an organization and its employee to get success.<sup>3</sup>

IM is the finest strategy to improve service quality. Organizations are utilizing their employees for improvement of product and services without the marketing of its internal market.

Thus, there is need to do marketing in the internal market. Focusing only on the internal supplier and internal customer led to the poor implementation of total quality management. Thus, IM plays a significant role in carrying activities of quality improvement.<sup>4</sup> In internal

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<sup>1</sup> Ahmed, P.K. and Rafiq, M. (2002). Internal marketing: Tools and concepts for customer-focused management. Routledge. p. 91-119

<sup>2</sup> *Ibid.*

<sup>3</sup> Jarrah Samiha, Judeh Mehfouz, Haddad Shafiq (2012). 'The impact of internal marketing dimensions on quality of health care' *Archives Des Sciences Journal*, Vol. 65, No.3, pp.108-117.

<sup>4</sup> Hallowell, R., Schlesinger, L.A. and Zornitsky, J.(1996). 'Internal service quality, customer and job satisfaction: Linkages and implications for management.' *People and Strategy*, 19(2), p.20-29.

market employees are internal customers and internal suppliers and jobs are products,<sup>5</sup> therefore, organizations or employers works as a wholesaler by manufacturing job products. All the actions of the organizations are focused towards internal customers. IM is to satisfy internal customers, thus internal customers are the end-product of IM.

- Internal marketing and quality management

Internal marketing is a very useful concept for the organizational performance. But due to confusion in its notion with quality management it is tricky to implement it. According to authors to attain the objective of the organizations, there is a need to provide training, reward, vision, to employees so that they serve their external customers in a better way. Satisfying internal customers in such a way in which they are able to deliver better service to external customers. Provide employees all the things that get better and stimulate their external performance. This means that providing training, reward, understanding of organizational objectives, motivation to employees to improve their external customer service.<sup>6</sup> In the concept of total quality management there is a focus towards external customer service. However, for providing high-quality service to external customers there is a need of satisfaction of both internal as well as external customers. After analyzing both the conceptual difference between the IM and total quality management are given below in table 2.4.

**Table 2.4**  
**Difference between internal marketing and total quality management**

S.No	TOTAL QUALITY MANAGEMENT	INTERNAL MARKETING
1	The focus of TQM on internal as well as an external customer to improve the external service quality.	The focus of IM on the internal customer, internal supplier, and organization to improve the organizational quality.
2	The end- product of TQM is external customer	The end –product of IM is an internal customer.
	It improves the quality of internal customer service to improve the quality of external customer service.	It improves the quality of internal customer and based on the assumption that external customer can be satisfied.
3	It is a process to add value to the product or service to external	It is an exchange process between internal customers and organization, and in this

<sup>5</sup>Tag-Eldeen, A. and El-Said, O.A. (2011). ‘Implementation of internal marketing on a sample of Egyptian five-star hotels.’ *Anatolia*, 22(2), pp.153-167.

<sup>6</sup> Jarrah Samiha, Judeh Mehfouz, Haddad Shafiq (2012), *op. cit.*

	customers.	process, the value added in internal customers' job products.
4.	It is improving inter-functional coordination to improve the process of the work of the organization system.	It is improving inter-functional coordination to change the attitude and behavior of the organizational people.
5.	The focus on the internal customer to improve the quality of product or service that is provided to the external customer.	The focus on the internal customer to improve the quality of product or service of them.

Ferrell (2003) explained that IM is the marketing between the organization and employees. Total quality management is the operational activity. Thus, it is the process between internal supplier and internal customers, focusing towards external customers. In the organization, activities for example job design, employee motivation, satisfaction, etc. that is focused towards internal customers does not come under total quality management. According to Pervaiz and Ahmed, internal customer and internal supplier are focused on providing better service to external customers. In addition, Berry's concept is that jobs are product and employees are internal customers.<sup>7</sup> This means that first, we need to divide two types of product that are manufactured inside the organizations. They are-

- 1) Product/service for external customers and
- 2) Job products for internal customers.

There are two types of customers:-

- i) Internal customers
- ii) External customers.

Both customers have their own need. We cannot apply the same approach to both customers. Improvement in external service quality has been the center of attention since the adoption of the TQM concept by the organization. For this, they also show the importance of internal customers.

Various studies conducted to improve the service quality. According to various researchers, internal marketing is the strategy to improve service quality.

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<sup>7</sup> Berry L.L. (1981). "The employee as customer", Journal of retail Banking, 3 (1), pp. 33-39

## **Studies on internal marketing and service quality**

Various studies conducted by researchers to show the relationship between IM and service quality. Jarrah samiha et al studied on IM dimensions: vision, reward, communications, training and development, leadership, and managerial support and its impact on quality of Healthcare.<sup>8</sup> They used these dimensions for service providers in the health industry. For the satisfaction of employees, there are eight dimensions that make an impact on quality of health care are: -Incentive, scheduling work hours, the balance of family and work, co-workers, interaction opportunities, professional opportunities, praise and recognition, work control and responsibilities.<sup>9</sup>

Aburoub (2011) found a positive relationship between internal marketing procedure (service culture, human resource development, motive system, and reward) and service quality (tangibility, reliability, responsiveness, assurance, empathy) with customer satisfaction.<sup>10</sup>

In the insurance sector, Ghorbani studied an impact of IM on service quality. They found the organization citizenship behavior act as mediating role between IM and service quality. Organ and his colleague in (1983) first introduced the concept of Organizational citizenship behavior. It creates the positive environment (social, psychological) for performance in the organization. Through organization citizenship behavior employees willing to cooperate, develop innovative behaviors. Organ (1988), gave 5 dimensions of organizational citizenship behavior are-Altruism, courtesy, conscientiousness, civic virtue, sportsmanship.<sup>11</sup> Most of the studies are for service quality it is the today's need to do research on how to improve internal service quality. Stanley and Wisner (2001)<sup>12</sup> depicted that it is the requirement of the organization to look towards internal service quality.

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<sup>8</sup> Jarrah Samiha, Judeh Mehfouz, Haddad Shafiq (2012), *op. cit.*

<sup>9</sup> Ibid.

<sup>10</sup> Aburoub Suleiman Abdelmoti Dr. Hersh Muhaamad Abdullah Dr., Aladwan Kalil Dr. (2011). 'Relationship between internal marketing and service quality with customers satisfaction', *International Journal of Marketing Studies*, Vol. 3, No.2, pp. 107-118.

<sup>11</sup> Ghorbani Hasan and Mostafavi Maedeh (2013), 'The impact of direct and indirect of internal marketing on service quality and mediating role of OCB case: Iran Insurance company, Vol. 3, No.11, *International Journal of Academic Research in Business and Social Science*, pp. 116-124

<sup>12</sup> Stanley, L.L and Wisner, J.D.(2001). 'Service quality along the supply chain: Implications for purchasing. *Journal of Operations Management* , 19(3) pp. 287-306

- *Meaning of Internal service quality*

Stauss et al. explained internal service quality as, the services provided by an internal supplier to internal customer in the internal market from one unit or department to another unit or department.<sup>13</sup>

The basic reason to originate the internal service quality concept is given by Heskett et al (1997) is to make employees satisfied.<sup>14</sup> To improve internal service quality there is needed to benefit to employee's products and services. By this, they became more satisfied and efficient.<sup>15</sup>

According to Paraskevas (2010) tangible items (physical layout, equipment, clothing) is useless for internal customers, and some of the researchers Brooks et al omitted this item to measure internal service quality.<sup>16</sup> However, the equipment, the layout of offices, etc. all these things motivated to internal customers and creates a better work environment. In many organizations, there is a dress code that attracts internal customers. They are attracted by the color of the building, how the things placed in the office. Whenever anybody goes for a job, he looks first how the organization is looking. It develops a perception about organizations.

Organizations are providing job products to employees and other services with it. To improve internal service quality organizations have to focus on improving internal customer job products services. There are two approaches to internal service quality are:-<sup>17</sup>

- 1) How internal service providers are served to internal customers. (Ballantyne & Payne 1991) et al.
- 2) How the organization is serving to its employees.(Berry 1981 et al).

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<sup>13</sup> Miguel Cauchick, Augusto Paulo (2006). 'Assessing internal service by measuring quality dimension in a manufacturing company', *International Conference on Production Research*.

<sup>14</sup>Cai Shaohan and Jun Minjoo Jun (2010), "Examining the relationship between internal service quality and its dimensions and internal customer satisfaction" vol 21 No2. P.205-223.

<sup>15</sup>Mehrparvar Elham, Shahin Arash, Shirouyehzad Hadi (2012). 'Prioritizing internal service quality dimensions using TOPSIS technique'. (with a case study in Isfahan Steel Mill Co.), International Journal of Business and Social Science, Vol.3,No.2, pp.210-217.

<sup>16</sup> Brandson-Jones, A. and Silvestro R. (2010), 'Measuring internal service quality: Comparing the gap-based and perceptions only approaches, *International Journal of operations and Production Management*, 30 (12), pp.1291-1318.

<sup>17</sup> Azeem Nazeer Safdar, Zahid Mohsin M.,and Azeem Faisal Malik (2014) 'Internal service quality and Job performance: Does job satisfaction Mediate?', *Journal of Human Resource Management and Labor Studies*, Vol. 2, No.1 pp. 41-65.

In the above first approach, employees act as an internal service provider and internal customers. Nosratian et al (2008) define to provide service quality service provider, time, place plays an important role.<sup>18</sup> Thus, in the internal market also there is an interactive marketing between the internal service provider and internal customer. We can call this process internal interactive marketing to distinguish it from external interactive marketing. The external interactive marketing process improves external service quality. In a similar way, internal interactive marketing improves internal service quality.

The motivation of employees is an important factor to provide better service to external customers. Similarly, organizations motivate their internal suppliers so that they serve their internal customers in a good manner. They do this by identifying needs of the customer, trained and make them Jordanian Pharmaceutical company. Opoku et al (2009) also supported that IM strongly related to the perceptions of internal service quality.<sup>19</sup> satisfied with his job.<sup>20</sup> Thus, in the second approach organizations provides products and services to its employees. Here an employee includes all the internal customers and internal suppliers that are involved in the internal exchange process to achieve the organizational goal. Here an effort of the organizations is to motivate all employees for the success of IM.

- *Studies on internal service quality*

In comparison to service quality, there are limited studies on internal service quality. Table 2.9 represents dimensions used by researchers in their study on internal service quality.

Samen et. al (2012), found a positive impact of IM (employee motivation and reward, effective communication, employee recruitment, employee selection, employee development, support system, and healthy work environment) on perceived internal service quality (tangibility,).

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<sup>18</sup> Mehrparvar Elham, Shahin Arash, Shirouyehzad Hadi (2012), *op.cit.*

<sup>19</sup> SamenEL Abu Amjad and Alshurideh Mohd. (2012), ‘The Impact of Internal Marketing on Internal Service Quality: A Case Study in a Jordanian Pharmaceutical Company,’ (2012), vol7, No19, International journal of business and management, pp84-95.

<sup>20</sup> Aburoub Suleiman Abdelmoti Dr. Hersh Muhaamad Abdullah Dr., Aladwan Kalil Dr. (2011).*op.cit.*

**Table 2.5**  
**Dimensions of internal service quality**

S.No.	Author	Dimensions of internal service quality
1.	Gilbert 2000 empirically examined	1) Personal service 2) Technical competence
2.	Greemler et al 1995 gave three Internal service activities. <sup>22</sup>	1) Response to service delivery failures 2) Providing internal customer needs. 3) Prompt service to internal customers
3.	Internal service quality dimensions of Hallowell et al 1996 used by Azeem Faizal 2014 et al in their study on education institution. <sup>23</sup>	Eight internal service quality Dimensions are: 1) Communication 2) Goal alignment 3) Training 4) Rewards and Recognition 5) Teamwork 6) Management support 7) Policies & Procedures 8) An organization providing tools to employees. Azeem study also added one new dimension according to them internal service quality is the the feeling of employees service they received or delivered to their work fellows. 9) Attitude of the co-worker
4.	Ciu Yue-Xia 2009 Tangible and intangible quality of internal service <sup>24</sup>	Tangible quality of internal service Personal training Incentive programs Employee welfare measures Intangible quality Organizations internal communication channel Degree of autonomy

<sup>21</sup>Cai Shaohan and Jun Minjoo Jun (2010), *op.cit.*

<sup>22</sup> *Ibid.*

<sup>23</sup> Azeem Faisal Malik (2014), *op.cit*

<sup>24</sup> Wang Gao-Liang Dr. (2011). 'A study of how the internal service quality of International tourist Hotels affects Organisational Performance: Using Employees Job satisfaction as the mediator', *Journal of Global Business Management*, 7(2), p.1.

5.	According to Haskett et al service-profit chain quality of internal service.	1) Design of workplace and content 2) Recruitment 3) development 4) reward/ 5) recognition 6) tools used by the employee for external customer service
6.	Based on internal service quality dimensions of Hsu Shun –Wang, Kuo Yi-Jie and Chen Han Hsusun (2010), Gao Liang wang empirically studied on Tourist Hotels in Taiwan.	Four dimensions are:-  1) Workplace equipment 2) Employee Remuneration 3) Employee training 4) Job promotion and teamwork

Azeem Faisal et al studied on internal service quality and found its positive impact on job satisfaction. In addition, job satisfaction results in better job performance. One more dimension they added with eight dimensions of Hallowell et al is the attitude of coworkers; this means understanding the need of others and helps them, enthusiasm to help others, readiness to guide, emotion, and courteous behavior. Eight dimensions of Hallowell are communication, teamwork, training, management tools, reward and recognition, goal alignment, policies and procedure, job satisfaction, salary and benefits satisfaction, and service capability. Various researchers studied internal service quality on how to improve external customer satisfaction. According to Hallowell, internal service quality improves internal customer satisfaction and external customer satisfaction. Internal service quality does not directly influence customer satisfaction. Internal service quality improves service capability of employees, which improves customer satisfaction. Due to higher job satisfaction turnover reduces and this improves internal as well as external service quality.<sup>25</sup>

- *Measurement of internal service quality*

According to Zeithmal et al service quality is a factor of market share, return on investment, & cost reduction and it is difficult to measure it. 26

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<sup>25</sup> Hallowell, R., Schlesinger, L.A. and Zornitsky, J.(1996).

<sup>26</sup> Bellaouaidet al.(2011) “Internal marketing as a new alternative for the service employees performance: An empirical study”, Revista de comunicare si marketing U.A.S. I.S.S.N.2069-0304.

Kang and James (2004) divided two groups of measuring service quality are American perspective which is based on the functional attribute and European perspective that is based on additional dimensions other than the process of service delivery.<sup>27</sup>

The SERVQUAL scale of Persuraman et al (1985) based on functional aspect.<sup>28</sup> This scale based on the difference of score between customer expectations of service and their perceptions after receiving it. According to Parasuraman et al, there are 10 factors of service quality are, reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing, the customer, and tangibility. After scaling purification, they reduced 10 factors to 5 which are Tangibility, Reliability, Responsiveness, Assurance and Empathy. According to Carman (1990), dimensions vary depending on the type of industry.<sup>29</sup> Due to criticism of the SERVQUAL scale, Cronin and Taylor (1992) developed an SERVPERF scale to measure service quality scale which is ‘performance based’. <sup>30</sup> It is similar to SERVQUAL scale, but the difference is that consider the only perception of performance.<sup>31</sup>

According to Lee (2000) et al, SERVPERF is better than the SERVQUAL scale due to its accuracy.<sup>32</sup>

There are limited studies based on internal service quality in comparison to external service quality. Various researchers used an SERVQUAL scale to measure internal service quality. Mehrparvar et al used an SERVQUAL scale to measure internal service quality to find the gap between internal customers’ expectation and their perception of Isfahan steel Mill companies based on 5 dimensions which are:-

- 1) Tangibles: These include physical facilities, products, equipment and appearances of employees.
- 2) Reliability: This shows the ability to perform accurately.
- 3) Responsiveness: the ability to respond to provide prompt service.
- 4) Assurance: to build trust and confidence.

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<sup>27</sup> Miguel Cauchick, Augusto Paulo (2006).

<sup>28</sup> *Ibid.*

<sup>29</sup> Bellaouaiedet al.(2011), *op.cit.*

<sup>30</sup> *Ibid.*

<sup>32</sup> Miguel Cauchick, Augusto Paulo (2006), *op.cit.*

5) Empathy: firm provides attention for its customers.<sup>33</sup>

Frost and Kumar (2008) proposed INTSERVQUAL (Internal service quality).<sup>34</sup> It is based on Persuraman scale. He studied in international airlines by comparing customer contact personnel expectation and support of staff performance. He used a Persuraman scale for internal customers.<sup>35</sup>

Three dimensions of service quality perception given by Groonroos (1984) are-

- 1) Functional –This is the process of service.
- 2) Technical –It is the outcome of service.
- 3) Image-how customer viewed about the company.<sup>36</sup>

According to Groonroos, there are above three dimensions of service quality perception. In what way service is provided is a functional aspect, what would be the outcome of the service is a technical aspect and in what way customer viewed company is image aspect. There are needed more studies on internal service quality.

## CONCLUSION

Internal marketing is the way to improve exchange process in the internal market and satisfy internal customers. To improve quality and performance of the organization internal marketing is the best strategy. Quality management is the planning, directing, and executing quality improvement of products and services of the organization. Nevertheless, it is necessary to improve job products and internal customer service to improve service quality to external customers and also improvement of the overall organization system. Quality management is the operative process of the organization, whereas internal marketing focus to satisfy the need and requirements of the customers. Without knowing need and requirement of the internal customers it is difficult to sell job products to them. Thus, without proper internal marketing it is difficult to do operative functions inside the organization. Today we are in the age of marketing. First and foremost need of the organization is the marketing function. Due to fierce competition, it is difficult to do any

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<sup>33</sup> Mehrparvar Elham (2012), *op.cit.*

<sup>34</sup> Farias de Alencar Solomao (2010) “Internal marketing: a literature review and research propositions for service excellence, vol7, no2, p.99-115.

<sup>35</sup> Miguel Cauchick, Augusto Paulo (2006), *op.cit.*

<sup>36</sup> *Ibid.*

business. To compete in the market, an organization has to do various activities in which improvement of the external service quality is one of them which is most important. But keeping in mind only the external customer service deteriorates organizational development. Therefore, internal customer service is equally important. Organizations are doing external marketing for external customers similarly they has to do internal marketing for internal customers.

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# A STUDY ON CONSUMER BEHAVIOUR TOWARDS ONLINE PAYMENT

**Mithali Ranka**, V Semester BBA Student, Center for Management Studies, Jain University, Bangalore, India.  
Email: mithaliranka68@gmail.com

**Jitesh Rajpurohit**, V Semester BBA Student, Center for Management Studies, Jain University, Bangalore, India.  
Email: jiteshraj01@gmail.com

**Kiran L Maney**, Research Scholar and Asst. Professor, Center for Management Studies, Jain University, Bangalore, India  
Email: kiranlmaney@gmail.com

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## ABSTRACT

Demonetization has created a huge growth opportunity for online payment in India since November 2016. Since then online payment has increased to a large extent resulting an alternative to cash for Indian consumers. Online payment refers to money that is exchanged electronically. Consumers buy online due to convenience without physically going from one store to another. This study investigates the reasons of online payment by consumers. The consumers' behaviour towards online payment has a significant impact on adoption of online payment. The consumer is influenced by various internal and external factors while deciding to pay electronically. This study facilitates to understand the attributes that influence the consumer for payment online and evaluates the effect of demographic attributes such as education and income on the usage of online payment. The study is based on primary data collected from respondents from Bangalore. A structured questionnaire was designed to collect the information.

Keywords: e-commerce, online payment, digital payment, digital money, internet payment, Digital Wallets.

## INTRODUCTION

Online payment refers to money that is exchanged electronically [1]. Making a payment online requires the use of multiple electronic gadgets like computer networks, internet and

digitally stored devices. Paying online or online payment is an electronic transaction which results in transfer of funds from one bank account to another account. Typically in an e-commerce transaction it would be transfer of funds from the buyers' account to sellers' account. The electronic payment system has grown increasingly over the last decade due to growing spread of internet-based banking and shopping [2]. With the increase in online payment the customer buying behaviour has also changed. Customer are exploring various modes of payment and have their own preferences and choices.

### **Online Payment in India.**

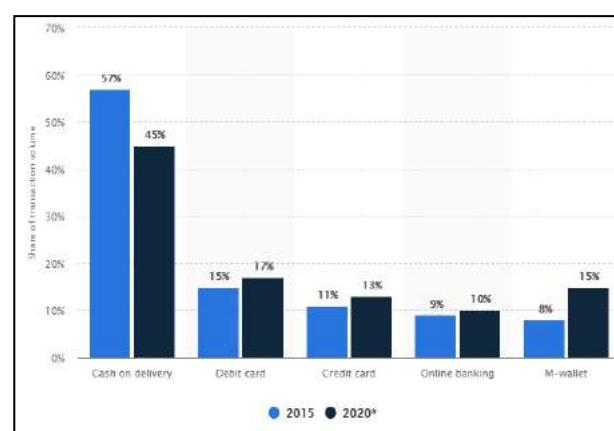
Demonetization has led to the steep rise in using online mode to a large extent resulting an alternative to cash for an Indian consumer. Looking backwards for many years the main payment instrument in India was cheques and cash. IT systems of banks and their core banking systems have improved a lot leading to integration of various delivery channels. Over 3-4 years many regulatory changes have been introduced by RBI to ensure safety and security both in terms of form factor as well as at transaction level of card payments. Some of these are: online alerts, use of PIN for ATM transactions, authentication for proximity in form of PIN@POS for cards etc., [3]. This mode of payment has accelerated the growth in ecommerce companies in India. With the large internet savvy Indian population that is not only using internet for browsing but also buying online. Especially the online retail industry is evolving and succeeding in online payments for all the retail purchases.

### **Types of Online Payment**

For the purchases made online a customer has a choice of payment modes. Only those types of online payment based on the statistics giving information of most popular digital payment methods in India in 2015 with forecast regarding 2020 is mentioned below [4].

#### **Preferred digital payment methods in India in 2015 and 2020 [4].**

Cash on Delivery: the cost of the products purchased is paid to the vendor on delivery of the product.



Debit Card: the money for the purchased item is paid directly out of the holder's account. The actual transfer of funds from the holder's account gets deposited directly into the sellers account in 1 or 2 days.

Credit card: A form of online payment issued by a financial institute to the cardholder for making payments online.

Online Banking: Payment is done directly from the customers' bank account to vendors account electronically.

M-wallet: A form of prepaid account that stores user's financial data, like debit and credit card information to make an online payment.

## **REVIEW OF LITERATURE**

(Kanupriya, Dr.Rati, & Kaur, 2016) This study aimed to establish a preliminary assessment, evaluation and understanding of the characteristics of online shopping. Their research findings suggested online shopping was picking up and was becoming a trend. More consumers were indulging into internet shopping as seen by the research because of the value proposition it offered to a customer such as convenience, 24x7 shopping, doorstop delivery, a broad product selection and the ever-expanding range of unique and unusual gift ideas as well as increased consumer confidence in shopping on the internet was increasing. The main motivating factor seen during the research was the convenience and customer service which drives the people to online shopping.

(SHAMSHER & RANA, 2017) Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. Electronics Consumer transaction made at point of sale (POS) for services and products either through internet banking or mobile banking using smart phone or card payment are called as digital payment. The consumer perception of digital payment has a significant and positive impact on adoption of digital payment. The structured questionnaire was used as research tool for understanding consumer perception of digital payment. Primary data was collected from 150 respondents in Delhi. ANOVA and frequency analysis was used to analyze the responses. ANOVA indicate that there is no significant variance in consumer perception based on the demographic factors such as

gender, age, profession and annual income of the patients. However, education was found to significant influence for adoption of digital payment.

(Vaghela, Dec 2014) The main aim of this research was to study the perception of the customers towards online shopping and also discriminate this perception gender-wise. With Convenient sampling method respondents were selected and data was collected through structured questionnaire. On the basis of data analysis, it was found that most of the customers were perceived that online shopping is better option than manual shopping and most of the customers were satisfied with their online shopping transactions. Customers are accessing their net at their home and office/ college. Largely customers are buying clothe, electronics items and accessories. Most alarming barrier for online shopping was customers have to give their credit card number and they can't see products personally. Customers agree with the statement that online shopping is more expensive than manual shopping, its take more time to deliver the products and they are facing problems while making online purchases.

(Patra & Singhal, 2018) This study analysed the various factors that affect the online shopping behaviour of the consumers by using Buyer Black Box Model which was like mind processing various stimuli's it receives and helping it in coming to a conclusion. they had studied the attitude, behaviour and intentions shown by the consumers when they decide to buy products online by using Hierarchy of Effects Model. A separate gender-wise differentiation was made to know how Male and Female reacts to a particular category of product comprises of Apparels, Beauty products, Household items, Electronic Gadgets etc. A preference measurement check was made to know the perception of consumer regarding the top e-commerce websites. The major reason behind the consumer perception was based on various discounts, easy payment facilities, easy return facility, timely and express delivery. "Reduced search cost", "Discounts" and "Ease of purchase" were the top three aspects that generally people look upon while purchasing online, and a thorough study was made among the people in Kolkata.

## **RESEARCH METHODOLOGY**

An exploratory study using survey method was conducted to understand consumers behaviour towards online payment. This research study was conducted in Bangalore during

the period July 2018 and the sample of 50 respondents was selected for the study. The research study was targeted to students and working professionals. The primary data was collected and administered using a well – structured questionnaire. Likert's scale of agreement (Strongly agree, Agree, Neutral, Disagree and Strongly disagree) was used. The score of 5 was used to represent "Strongly agree" while the score 1 represented "strongly disagree" on the scale. The data collected was classified and tabulated for analysis in accordance of the objectives of the study. Secondary Data was collected through the use of published journal, articles by authors who highlighted their views about this topic.

## **OBJECTIVES OF THE STUDY**

To identify the Factors affecting online payment.

To understand the mode of Payment preferred by Online Consumers.

## **FINDINGS AND ANALYSIS**

The primary data collected with the help of questionnaire was analysed and interpreted. In the first part of analysis the percentage analysis was used to study general profile of the respondents. The goggle forms were used and the percentage analysis was being done which depicted the ratio of the consumer behaviour towards online payment.

	<b>Classification</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Gender	Male	36	72
	Female	14	28
	<b>Total</b>	<b>50</b>	<b>100</b>
Age Group	18 - 24 yrs	25	50
	24 - 30 yrs	10	20
	30 - 36 yrs	7	14
	36 - 42 yrs	2	4
	42 - 48 yrs	5	10
	48 yrs and above	1	2
	<b>Total</b>	<b>50</b>	<b>100</b>
Occupation	Doctor	4	8
	Student	37	74
	Lawyer	6	12
	Business man	3	6
	<b>Total</b>	<b>50</b>	<b>100</b>
Income Group	< 1L	34	68

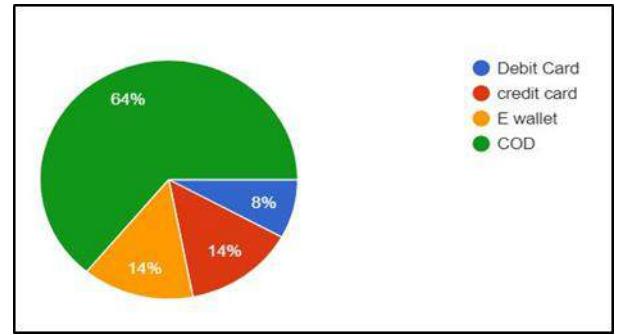
1L - 3 L pa	2	4
3L - 5 L pa	1	1
5L - 7L pa	4	8
7L - 10L pa	7	14
10L and above	2	4
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary Data

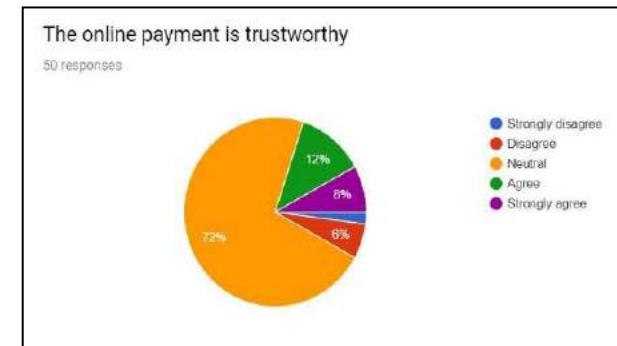
The table shows that 50 respondents(72%) were males and (28%) were females, 25 people were in the age group of 18-24(50%),10 people were in the age group of 24-30(20%), 7 people were in the age group of 30-36(14%),2 people were in the age group of 36-42(4%), 5 people were in the age group of 42-48(10%), 1 person in the age group of 48 and above (2%) were in each category of doctor, student, lawyer, businessman. 34 respondents (68%) were in the income group of <1L largely comprising of students, 2 respondents (4%) were in the income group of 1-3L, 1 respondent (2%) were in the income group of 3-5L, 4 respondents (8%) were in the income group of 5-7L, 7 respondents (14%) were in the income group of 7-10L, 2 respondents (4%) were in the income group of 10L and above.

### Percentage analysis with graphs

**Mode of Payment:** Majority of the respondents prefer Cash on Delivery as mode of payment for all their online purchases. Credit card and E-wallet is the second most preferred instrument of payment.



**Trustworthy:** consumers feel that the payment made during the online purchase is trustworthy. The pie chart depicts that majority of the respondents are of the opinion that the online payment they have made are trustworthy.



**Convenience:** Majority (64%) of the respondents in total agreed and strongly agreed that convenience is the main reason for shopping online.

The order of reasons in using online payment for the online purchase were “Time Saving”, “Less Stress”, “Convenient” and “Hassle free”.

## **CONCLUSION**

Online payment has increased to a large extent resulting an alternative to cash for Indian consumers. In the recent past online payment has been getting attention and is playing a vital role in modern electronic commerce. The different instruments of Online payments are changing the way businesses are done. This research study was a systematic and methodical effort in exploring Consumer behaviour towards online payment, this research tried to bring-out the reasons for online payment and the most preferred instrument. The main motivating factor seen in using online payment was Time saving and less stress. Today the consumers buying almost all the products online and are confidently paying online. The research suggests that increased usage of online purchases leads to huge growth of online businesses. There is an increased need to understand consumer psychology during the online payment or purchases.

### **1.7 Scope for further research**

The study is limited to Bangalore city further research can be conducted in different geographical areas. Research at different locations can be taken especially in rural and urban areas and see how consumer react to online payment. Due to constraints in this research the sample size take was only 50 respondents, research with larger sample can be undertaken. The survey and data being collected by students; more enhanced approach can be adopted. Customers in different age group can be considered with larger sample.

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14. [4]URL: <https://www.statista.com/statistics/257478/preferred-payment-methods-of-online-shoppers-in-india/>

# **DIGITALIZATION OF HUMAN RESOURCE MANAGEMENT**

**Priyabrata Dash**, Master in Business Administration  
National Institute of Science & Technology, Berhampur, Odisha.  
Email Id: priyakumardash@gmail.com

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## **ABSTRACT**

This topic is a general overview of the digital transformation and its implications on management. Digital transformation is no longer a niche topic as it jumps out of the technical domain and into the boardroom of leaders across industries, sectors and geographies. The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. The current digital age is but a stepping-stone in the evolution of a world enabled by the exponential use of technology in the workplace. The digital age is moving at such a fast pace that it is fundamentally transforming the way organizations operate, be it in the private or the public sector, and is requiring them to develop new ways of thinking about service delivery that influence the way operating models are designed. Hence we discuss the effects on the functions of the Human Resources (HR) and all other management areas in an organization and their role in identifying new approaches to managing people & whole organization.

Digitization is of crucial importance to data processing, storage and transmission, because it "allows information of all kinds in all formats to be carried with the same efficiency and also intermingled". Digitalization is often seen as an essential factor in the 4th industrial revolution and being such a factor, it has been powerful enough to have implications on current and future Management practices. The need for connecting with others and the need for social intelligence, soft skills, empathy, passion, open mindedness, creativity, innovation, and critical thinking of human resources management.

**Keywords-** Digitalization, Human resources management practices, future challenges, digital transformation, digitalization management effects.

## INTRODUCTION

Companies incorporating digital transformation into their strategic framework leverage digital technologies in order to transform their business models, their operations and their interactions with stakeholders. Across all industries, human resources (HR) is one of the departments that are most affected by digitization – via big data analytics, social networks or mobile solutions, etc. While digitization presents many new challenges, it also provides HR departments with the exceptional opportunity to strategically reshape and reinforce their roles within their organizations. HR professionals tackled the prerequisites for digitization in their field, including providing clear definitions of strategic and operative requirements for targeted HR activities as well as the incorporation of digitization into the corporate culture and development. Digital natives and the older generation do not necessarily differ in what they are looking for among employers. Employer attractiveness, safety, leadership and workplace location matter the most to both groups.

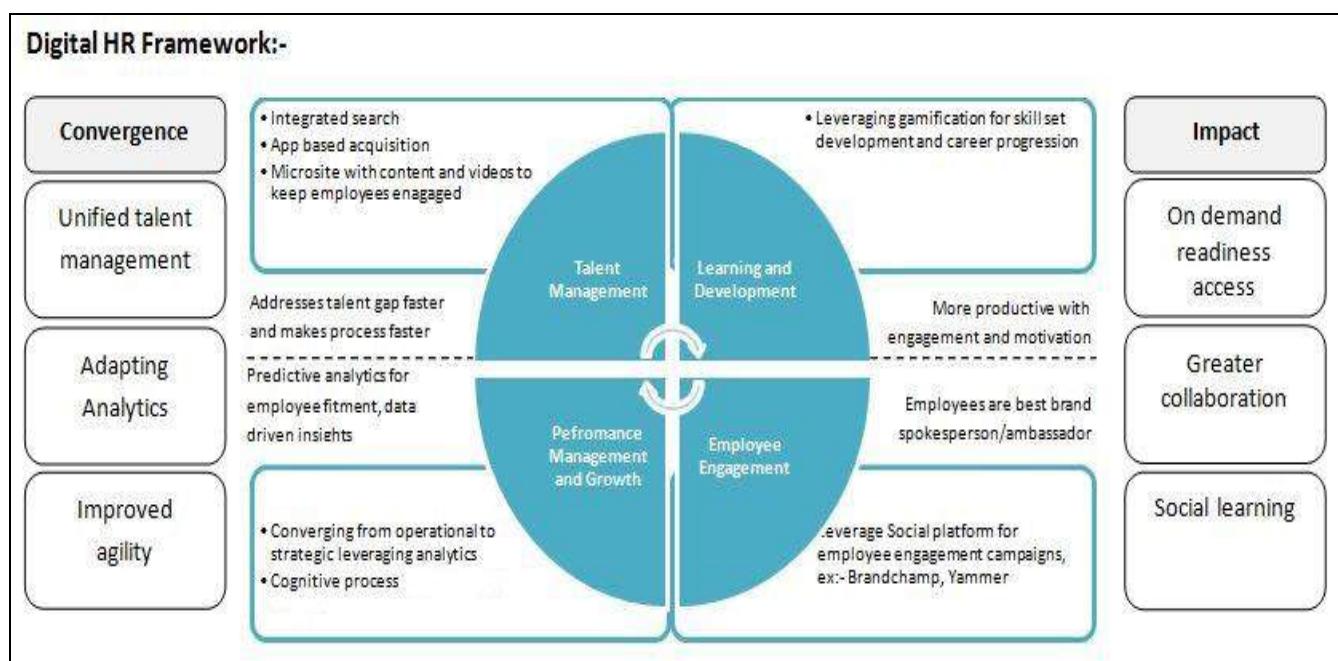
The world has undergone far reaching cultural, societal and economical changes based on the increasing dominance of digital technologies. In sum, these changes have led to the current period being characterized as the “digital age”. In line with these changes, digital technologies play an increasingly prominent role in both the lives of employees and human resource management (HRM), which seems to be affected in multiple ways. This special issue focuses on the impact of these changes on HRM, in relation to changes to the workforce, to HRM in general and more specifically to the use of technology in delivering HM activities.

### Why the Digitalization?

Is known for the big data it holds. To be able to account for this data manually, it takes long days and the workers in this sector can attest to that. Much information has been generalized and assumed in the manual system and due to this; the company suffers for lack of precise data. We cannot afford to close our eyes to the technology that has become so common. The best we can do is to get aboard and come up higher to make technology work for us. We have become so accustomed to getting everything manually done that getting software to work on our behalf kind of scares us.

This is why technology is invented, to completely eliminate the work that we manually do and in return help us accomplish more than we could ever accomplish on our own. Technology is here to stay and the best we can do is get on board and learn from it now before it grows too much and we are not able to catch up with it. Fear of failure and making mistakes, especially in business can keep you enslaved for the longest time. Establishing a new easier way to manage this data is a sign of relief for many individuals and companies. This can only happen through digitalization of the Human Resource Department. Digitalization of this sector will help the HR workers to ascertain specific details that help them improve in their decision making over the management of people. This in return will feed the company with accurate information that will help in achieving the set objectives.

## Where to Start in Digitalization of the HR Department?



There is always a starting point for everything in this good earth. You only need two things – determination and expertise. With so much knowledge shared freely on the technology platforms, we cannot say we are short-changed. We ought to start today before it is too late.

Today, there are a large number of well learned fellows who know the technology world like the back of their hands. Such technology experts are either within or without our companies but not far from our reach. Such are the people you bring on board to start with and share the idea with them to help you start your long journey to freedom. Before that, ensure that your Human Resource Department has a team of people who are flexible, enthusiastic, and ready to learn and of course, are computer literate. This kind of people will take seriously what is placed in their hands. Simply sell the idea to the experts and then have them crack the idea, define it in the technology terms, develop the tools to use and the like. At this point, we wish to clarify that it is easier said than done. Don't assume that what is suggested will automatically work, 90% of it fails. Do not try to take whatever is suggested and force it down the Human Resource personnel's throats, it won't work. Take time with this group of experts and allow them to try it out with your Human Resource group. That's the only way you will be able to tell what works and what doesn't. It is also important to talk to other companies who have successfully digitalized their HR department ahead of you. This equips you with smarter ideas to handle matters in a more creative way. Realizing your weaknesses as a business is not a weakness; rather, it is a strength because by learning to do the right thing, you will become better. Well, it may cost the business some money and maybe cause down spiralling but in the long run, there is profit reaped from the truth learned. There are simple easy steps you can adopt to help you strategize how you will digitalize your human resource sector and all the sectors in your business.

## **What Does Digitalization Require?**

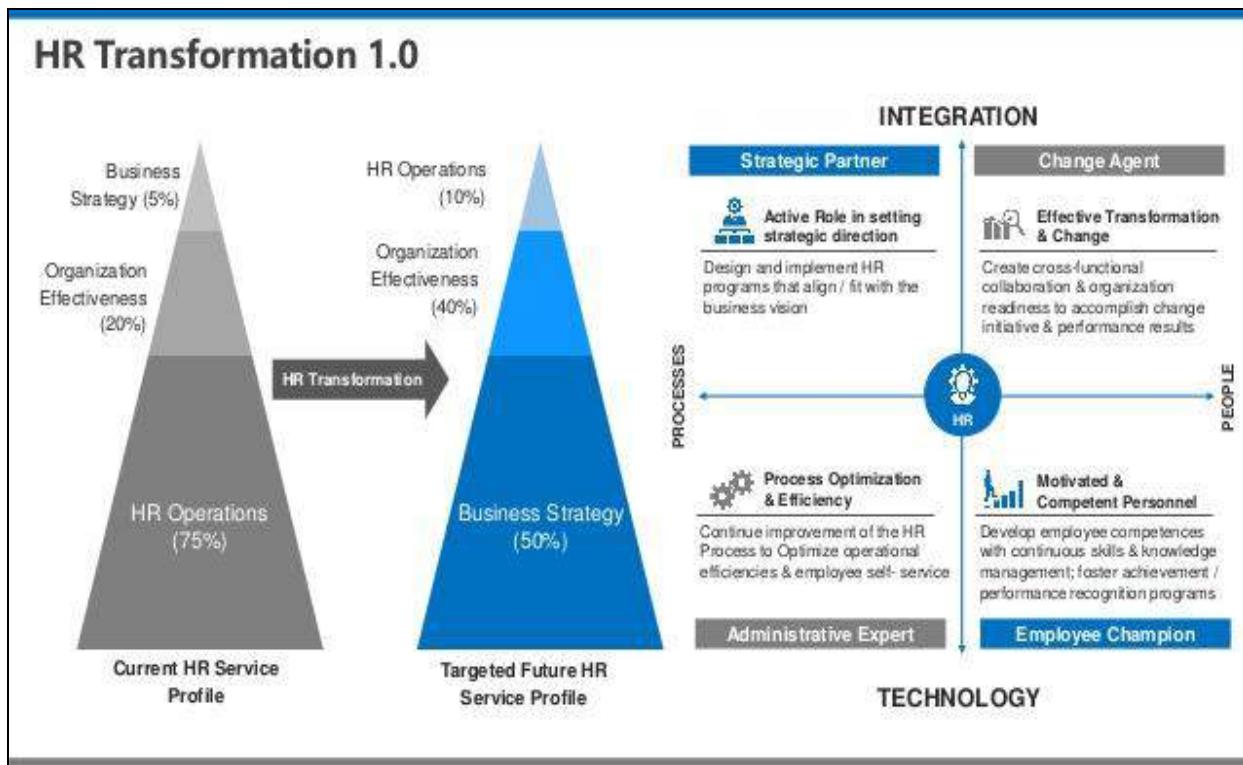
Digital HR will require building and fluency of mobile apps, design thinking, behavioural economics and use of fixed analytics. We have to realize that it is not just about building apps and all but also developing platforms that contain a wide range of apps built with analytical and cloud technology.

Creating such platforms allow you to use hundreds of apps on it like recruitment, collaboration, goal setting, employee attendance, employee wellness and many more. Designing such platforms allows you to integrate all the data in one place that is used to make recommendations to users throughout the day.

## Challenges of Digitalization

**Digital workforce:** How can organizations drive new management practices (which we call “digital DNA”), a culture of innovation and sharing, and a set of talent practices that facilitate a new network-based organization?

- **Digital workplace:** How can organizations design a working environment that enables productivity; uses modern communication tools (such as Slack, Workplace by Facebook, Microsoft Teams, and many others); and promotes engagement, wellness, and a sense of purpose?



- **Digital HR:** How can organizations change the HR function itself to operate in a digital way, use digital tools and apps to deliver solutions, and continuously experiment and innovate?

This shift is happening rapidly, as HR leaders are being pushed to take on a larger role in helping to drive the organization to “be digital,” not just “do digital.” Over the last five years, the HR discipline has undergone a rapid evolution. Three years ago, we wrote about

HR's "race to the cloud," as companies rushed to replace legacy talent systems with integrated HR platforms. Two years ago, we characterized HR as a function "in need of a makeover," as companies focused on rescaling HR professionals, integrating the organization, and implementing analytics. This year, as digital management practices and agile organization design become central to business thinking, HR is changing again, focusing on people, work, and platforms. We call the resulting set of HR practices "digital HR." Today, HR's focus has shifted toward building the organization of the future. Companies are hiring young, digitally savvy workers who are comfortable doing things themselves and sharing information in a transparent way. They want an integrated, digital experience at work—one designed around teams, productivity, and empowerment—and HR is expected to deliver it.

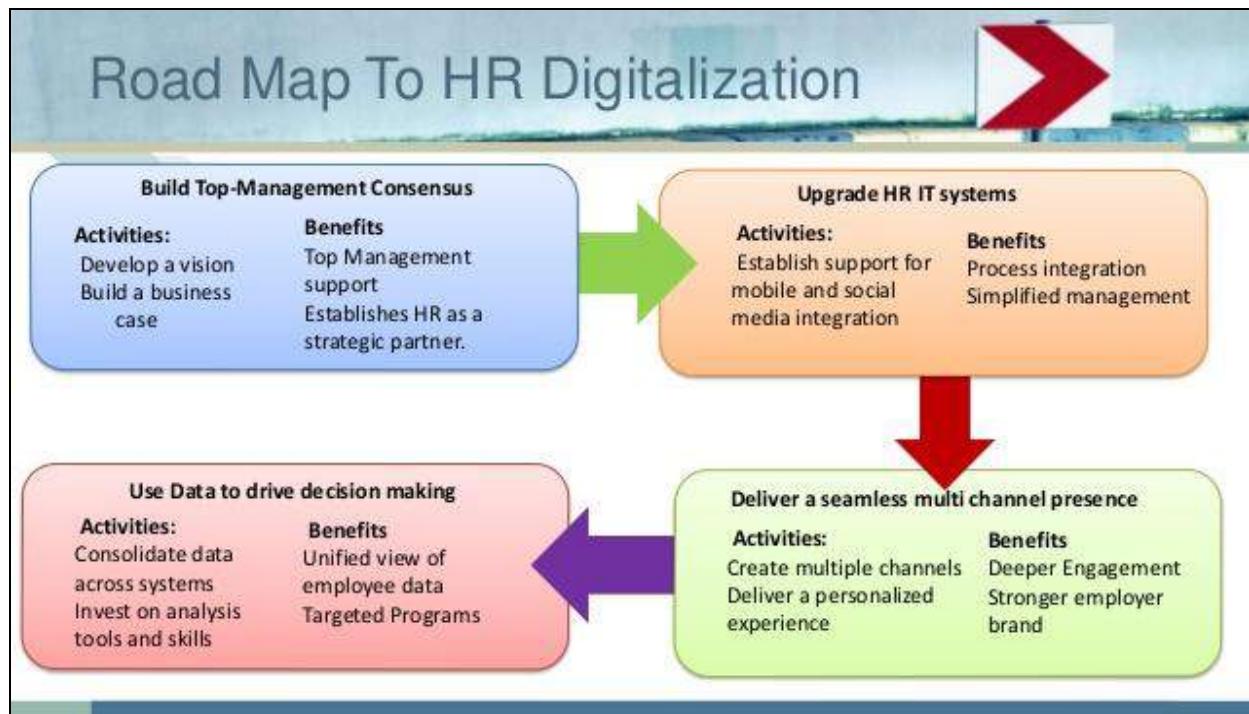
### **News tools and expanded transparency facilitate Digital HR**

To empower employees to take greater control of their career management, IBM developed a proprietary career management system that helps people find new jobs and recommends new assignments by looking at the patterns of their peers. Within HR, IBM leveraged the company's AI investments in Watson to pilot the use of CHIP (Cognitive Human Interface Personality), a cognitive assistant that can handle a wide range of HR-related questions. CHIP is an intelligent Chabot (available through computer, text messages, and soon voice) that recognizes the 200 most frequently asked employee questions (such as "Tell me about my vacation benefits" or "Find me an expert in digital marketing") and becomes smarter all the time. The system has already reduced call centre time and is proving popular with employees. IBM, a global company with over 400,000 people, is leading the transition to digital HR, using a wide variety of experiments to drive new digital HR solutions. After an employee hackathon, the company reinvented its performance management process by building Checkpoint, a new feedback process that is dramatically increasing engagement, alignment, and goal management.

To drive continuous learning, IBM shut down its traditional global learning management system and replaced it with a new digital learning platform. The new system enables

employees to publish any content they feel is important, curates and recommends training based on role and experience, and integrates external learning from across the Internet.

## Development strategies



- **Redefine your mission:** HR today must define its role as the team that helps management and employees rapidly transform and adapt to the digital way of thinking. Familiarize yourself with networked organization structures, organizational network analysis, and digital leadership models.
- **Upgrade core technology:** Replace legacy systems with an integrated cloud platform for a sound digital infrastructure. Upgrade old tools for learning, recruiting, and performance management, and bring in systems that are easy for employees to use.
- **Develop a multiyear HR technology strategy:** In today's rapidly changing HR technology world, it's important to build a multiyear strategy that includes cloud enterprise resource planning (ERP) platforms, apps, analytics, and a range of tools for AI, case management, and other solutions.
- **Build a digital HR team:** Dedicate teams to explore new vendor solutions and build others, and consider AI solutions to improve service delivery, recruiting, and

learning. Companies such as RBC and Deutsche Telekom now have digital design teams in HR that work with IT to design, prototype, and roll out digital apps.<sup>18</sup>

- **Organize HR into networks of expertise with strong business partners:** Rethink your HR organization model to focus efforts on the employee experience, analytics, culture, and the new world of learning. Make sure these teams communicate well: High-performing HR teams share leading practices and know what the other teams are doing.
- **Make innovation a core strategy within HR:** Push yourself to reinvent and innovate in every people practice. Many organizations are now using new performance management practices built around design sessions and hackathons. Investigate new innovations in recruiting, including using data to find people who resemble high performers in the company.
- **Rotate younger people into the HR profession:** Regularly rotate people from the business into and out of HR, use innovation teams to reverse-mentor senior leaders, and recruit new MBAs to bring people with analytics skills into the profession.
- **Benchmark:** Visit other companies to see what they are doing. HR teams can bring in outside speakers, join research membership programs, and continually look for new ideas to foster innovation. Today's leading practices come from innovative ideas developed around an organization's culture and business needs, not a book.

## CONCLUSION

Digital technologies can improve manufacturing operations. By automating processes, identifying weaknesses and bottlenecks in the production chain and in the supply chain, by pre-testing new ideas before implementing them, your business can save time and money. A **digital factory** design is a far more flexible workplace. Instead of the traditional, linear approach, where machinery is built based on designers' sketches and development cycles are siloed, digitisation makes it possible to plan and develop in tandem. That way, potential weaknesses can be identified and fixed as you go, rather than in hindsight. Exciting new technologies like 3D modelling systems and data connectivity enable factories to be configured and reconfigured faster and more easily than ever before for less money. Digitisation gives you the opportunity to introduce rigorous **quality management and control** both for your own products and those of your suppliers. As well as providing peace

of mind, you'll also **meet compliance demands more easily**. Customers will be happier, while employees will enjoy their work more. You'll also become more attractive to new employees, if you have a technologically advanced operation.

## SUGGESTIONS

From the information mentioned, it is easy to tell what digitalization can accomplish but it's not all easy without hitches. Cooperation from all sectors is key in order to enjoy the end-product you want to see. The integration of the Human Resource Department being the hub of every business will fuel it to run smoothly and relationships will be highly improved; not forgetting the data will be precise and accurate.

The Human Resource Digitalization transformation is big and cannot be done in a rush. It has to begin with a change of mindset within the HR department and every other sector in the business. The business rises from the art of teamwork, and digitalization is one of the key areas that require this kind of teamwork that brings achievements. Everyone in the business has to embrace the forward move right from the beginning to make it smooth sailing. They have to come to the level where they prioritize connectivity, real time operations and automation.

This should be viewed as a revolutionary opportunity all over the company, not just as a one sector responsibility. This is only a small section of digitizing the entire company. This being a very sensitive sector that determines the relationship between the HR and the employees, it must be handled with care. With the right approach that does not threaten the employees; the new technology will be embraced and worked towards with the right attitude.

There is still a long way to go until the HR sector is settled in the technology world and we can toast to that. A journey of a thousand miles starts with one step, its better you start yours today! You have the opportunity to showcase your company's success just like the above example of a successfully digitized company. Remember once you digitize the first sector in your business, all the rest will be easily integrated and brought on board to enjoy a fully digitized company that enjoys life the 21st Century way.

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# **PATTERN OF BANK LINKAGES OF SHGS: A COMPARATIVE STUDY OF INDIAN STATES AND UNION TERRITORIES**

**Dr. Sanjay Kumar Patel<sup>1</sup>**

Assistant Professor

Department of Commerce, School of Commerce and Management,  
Central University of Rajasthan, Ajmer, Rajasthan, India.  
Email: [sanjaypatel@curaj.ac.in](mailto:sanjaypatel@curaj.ac.in)

**Aditi Soni<sup>2</sup> (Corresponding Author)**

Research Scholar

Department of Commerce, School of Commerce and Management,  
Central University of Rajasthan, Ajmer, Rajasthan, India.  
Email: [2016phdcom01@curaj.ac.in](mailto:2016phdcom01@curaj.ac.in)

**Ashok K Meena<sup>3</sup>**

Research Scholar

Department of Commerce, School of Commerce and Management,  
Central University of Rajasthan, Ajmer, Rajasthan, India  
Email: [ashok.9461000574@gmail.com](mailto:ashok.9461000574@gmail.com)

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## **ABSTRACT**

**P**roviding formal finance to rural populace has always been a challenge for the government. Self Help Groups (SHGs) have played important role in providing finance to such people who are not having direct access to formal finance. Being a successful venture for provision of finance to rural population since 1992, it is imperative for government to promote the SHGs and develop a formal linkage with these groups by linking these with the banks. Hence, the present study is an attempt to study the bank linkage in India and thus, the main objective of the study is to analyze the SHG-Bank Linkages among different type of banks in the states and Union Territories (UTs) of India. The main objective is classified into following sub-objectives:

- To give an overview of Commercial Bank (CBs); Regional Banks (RBs) and co-operative banks linkages with SHGs in India

- To study the pattern of SHG bank linkages in different states and UTs in the country
- To provide suggestions for future course of action for improving the performance of the SHG movement.

### **Design/methodology/approach**

Since the main objective of the study is to evaluate bank linkages to SHGs in states and UTs of India, the study will use the bank linkage data. The data used in the present study is secondary data collected from NRLM Reports, available at the official website of NRLM, which provides the details of the SHGs linkage to banks across different states of India. The methodology used for the present study is both descriptive as well analytical. The interpretation and conclusion are based the data given in these reports. Percentages and graphs will be used to analyze and represent the data.

## **FINDINGS AND CONCLUSION**

### **Commercial Bank**

- **NRLP states:** Branches linked with SHGs are almost half the total branches. Average percentage is approx. 49.70%.
- **North West States:** Branches linked with SHGs are less than half of the total branches and average percentage is approx. 28.57%.
- **North East States:** In these states, average percentage of CB branches linked with SHGs is 25.13% and the highest percentage is 55.93% for Nagaland. Hence, CB linkage is low in these states.
- **Union Territories:** Only two UTs have CB branches linked with SHGs, with Goa having highest percent of CB branches linked with SHGs (31.86%).

### **Regional Bank**

- **NRLP states:** Except two states in all the states, the RB branches linked with SHGs is more than 50% total number of branches.

- **North West States:** In all the North West states, RB branches linked with SHGs is more than half the total RB branches.
- **North East States:** The situation is not good as compared to RB branches linkage in NRLP and North West states. There are very few RB branches and out of that, very few have SHGs linked to them.
- **Union Territories:** Puducherry is the only UT, which have RB branches and 95% of these branches are having SHGs linked with them.

### **Cooperative Bank**

- **NRLP states:** The Cooperative Bank branches are very uneven in these states and in linkages; there is high disparity among the states. In these states, the branches linked are as high as 91% and low as zero percent.
- **North West States:** The average in these states is approx. 50%, but in Haryana, this average is as low as 13 % showing the uneven development of Cooperative bank linkage with SHGs.
- **North East States:** In these states also the Cooperative bank branches linkage with SHGs as not evenly dispersed. Out of seven states, one even does not have any cooperative bank branch, those who have some, have 100% branches linked to SHGs, and some do not have any SHG linked to it.
- **Union Territories:** In UTs, also the situation is same as North East states. Some UTs do not have any Cooperative Bank branch. However, the states, which have Cooperative bank branches, linkages are very good, i.e. more than 50% of the total cooperative bank branches.

Above discussion gives a conclusion that the bank linkages are not uniformly distributed in India across the whole country. Some states have high number of bank branches linked to SHGs while some states do not have even one branch, which has any SHGs linked to it.

It is also observed that, compared to Commercial Bank branches and Regional Bank branches, the number of Cooperative bank branches is very less in all the states of the country. Thus, the Cooperative movement in India needs a boost, which is possible with help of government intervention and proper participation of the local people of the states.

### **Originality/value**

As the study is analyzing the SHG bank linkages in the Indian states and UTs, the study will provide suggestion for further improvement in bank linkages and facilitate in better implementation of the NRLM bank linkages programme.

**Keywords:** SHG, Bank Linkage, Commercial Banks (CB), Regional Bank (RB), Cooperative Bank

## **INTRODUCTION**

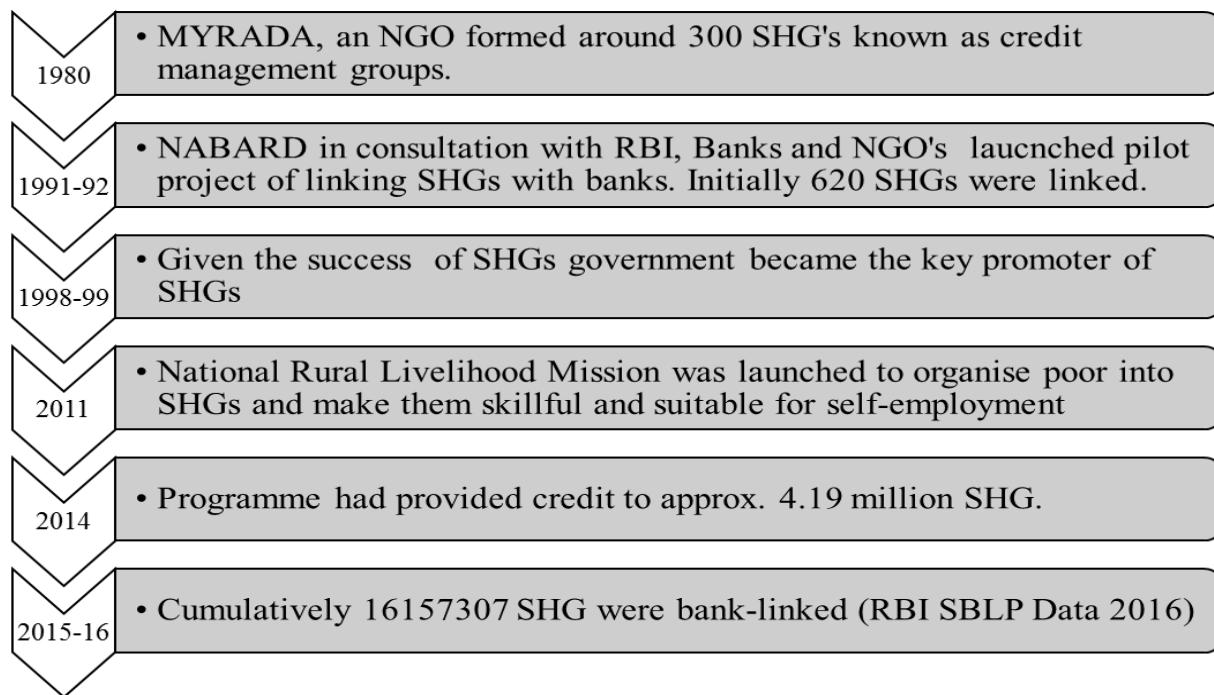
SHGs have emerged as an important financial intermediary, after the pilot project of NABARD in 1992, when 500 SHGs are linked to the banking system. The major intention was to provide SHGs with formal financial support, which was not available earlier.

### **India SHG movement**

An SHG is an informal group of around 10–20 women from underdeveloped communities:

- It is owned and managed by members and work on principles of self-help, affinity and mutual help and functions in democratic way
- Each group has its own well-defined set of rules, hold regular meetings and keep up savings and credit discipline.
- Members decide loan amount and interest rates by mutual consensus of all.
- Procedures are simple and flexible.

A brief description of SHG movement in India is as follows:



### India-States and Union Territories

India comprise of 29 states and 7 union territories. A list of Indian states and Union territories (UTs) is given below. Following **Table-1** is giving a list of Indian States and UTs. The states are classified into three parts i.e. NRLP states, North West states and North East states.

**Table-1 List of Indian States and Union Territories**

S. no	NRLP States	North West States	North East States	Union Territories
1	Andhra Pradesh	Haryana	Arunachal Pradesh	Andaman And Nicobar Islands
2	Assam	Himachal Pradesh	Manipur	Chandigarh
3	Bihar	Jammu And Kashmir	Meghalaya	Dadra And Nagar Haveli
4	Chhattisgarh	Punjab	Mizoram	Daman And Diu
5	Gujarat	Uttarakhand	Nagaland	Delhi
6	Jharkhand		Sikkim	Goa <sup>37</sup>
7	Karnataka		Tripura	Lakshadweep

<sup>37</sup> For NRLM classification, Goa is considered in UTs.

8	Kerala			Puducherry
9	Madhya Pradesh			
10	Maharashtra			
11	Odisha			
12	Rajasthan			
13	Tamil Nadu			
14	Telangana			
15	Uttar Pradesh			
16	West Bengal			

### A description of Indian Banking System

Indian banking system broadly have three types of banks viz. Commercial Banks, Regional Banks and Cooperative Banks. Brief description of these types of banks is given below.

#### **Commercial Banks**

The Indian banking system categorize banks into two categories; scheduled banks and non-scheduled banks. Scheduled banks further classified into scheduled commercial banks and scheduled co-operative banks. (See complete classification in Appendix). A Commercial Bank is a type of financial institution, which provides the customer with deposit, checking account services, make personal and mortgage loans and other financial products like certificate of deposits.

#### **Regional Banks**

Regional Banks (RRBs) are the scheduled commercial banks, which operates in different states of India, at regional level. The primary objective of RRBs is to provide access to financial services in rural parts of the country. However, regional banks can have branches in urban areas also, with limited area of operation.

#### **Cooperative Banks**

Co-operative banks are the banks, owned by their customers and follow the co-operative principle of one-person one vote. The co-operative banks are regulated under both banking

regulation and co-operative laws. Like commercial banks, co-operative banks also hold deposits; provide loans and other financial services and have branches. The co-operative are late entrant in SHG bank linkage, unlike commercial regional banks. **Harper, Berkhof, & Ramakrishna, (2005).**

### **What is Bank Linkage?**

The basic concept of SHG bank linkage is that the self-help groups (SHGs) are linked to the local bank branches, so that the group can have access to the basic financial services like deposits, loans withdrawal etc. Through linkage, the SHG becomes part of formal financial system. The concept of SHG has received attention among policymakers for its low cost finance to rural people, thus SHG linkage to bank has proved as an important tool for financial inclusion and has contributed towards empowerment of members.

### **NRLP (National Rural Livelihood Promotion)**

National Rural Livelihood Promotion (NRLP) designed as subset of National Rural Livelihood Mission (NRLM), initially launched in states with high poverty rates. Government of India has availed credit from the International Development Association (IDA) for implementing the, National Rural Livelihood Project (NRLP), under NRLM. NRLP initially implemented in 13 high poverty states having about 90 percent of the rural poor in the country. Intensive livelihood investments made by the NRLP in 107 districts and 422 blocks of 13 states (Assam, Bihar, Chhattisgarh, Jharkhand, Gujarat, Maharashtra, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, West Bengal, Karnataka and Tamil Nadu). Distribution of project funds among the states would be based state based on inter-state poverty ratios. At present, there are 16 NRLP states as per NRLM database.

NRLP broadly support the following components:

- Institution and human capacity development at the national, state, district and sub-district level such that support institutional structures are created
- State livelihood support towards establishment of institutional platforms of the rural poor for improved access to financial, livelihood and public services

- Innovation and partnership to identify and partner innovative ideas which address the livelihood needs of the rural poor and help pilot or scale them
- Project management and monitoring and learning systems

### **NRLP States**

The Ministry of Rural Development, Government of India launched the National Rural Livelihood Mission in 2011 as its flagship program to enhance rural livelihoods and reduce rural poverty in the country. The World Bank supported National Rural Livelihoods Project provided intensive support to the launch and scale up of the NRLM over the last 7 years. The National Rural Livelihood Mission (NRLM) has now been scaled up to all 29 states of the country. The intensive approach successfully demonstrated by NRLP in around 500 blocks is now being implemented across nearly 2500 blocks across 29 states through the NRLM program. A total of 45 million rural women are currently part of SHGs and they have cumulatively leveraged nearly 25 billion USD of financing from commercial banks since the launch of the NRLM program in 2011. As per NRLM Reports (Deendayal Antyodaya Yojna- NRLM official website), there are 16 states covered under NRLP.

### **REVIEW OF LITERATURE**

**Harper (2002)** examined and compared the different ways in which SHGs Promotion Institutes, promote SHGs in order to enhance the efficiency and quality of the SHG promotion process and thus improve the level of financial service provision to rural people. Data was collected using questionnaire which was filled by respondents who have personal knowledge of SHG promotion. 35 SHGs were studied out of which 20 were promoted by SHPIs and rest were promoted by bank branches. It was found that NGOs, which are benefitting from the NABARD incentive scheme, provide no further follow up support to SHGs three months after disbursement of the first loan, because they will receive no further incentives after this date. Therefore, author suggested that NABARD should design and locally test a scheme, which covers the full costs of efficiently, and effectively promoting equitable SHGs that will include the poor. For banks, author suggested that medium term,

banks should emerge as the main promoters of SHGs. In the longer term, the banks' role will gradually be reduced, as SHG members themselves start their own groups.

**Puhazhendi & Badatya (2002)** examined the impact of microfinance channelised through SHG-Bank Linkage programme. Primary data was collected from 115 members in 60 SHGs for period 2001-02. The study found an improvement in reach of institutional credit and it was also found that consumption oriented loan changed to production oriented. It was also found that the programme also resulted in increase in income of members and economic empowerment of members. However study did not find any change in asset structure of member households. Author demanded for more focus on training of members.

**Jindal (2005)** expressed the need to dovetail the programme of formation of SHGs with government and other social sector programmes. Author also argues for active collaboration of SHGs with government, NGOs and other society organizations.

**Shete (1999)** supported the linkage of SHGs to bank through NGOs as the recovery in such cases is almost 100% and the cost of borrowing is minimal in comparison to direct bank loan to SHGs. Moreover, NGOs provide with training and necessary help to the SHG members.

**Kropp & Suran (2002)** discussed the linking of Bank and SHGs in India. Author found that 75% SHG's are supported by NGOs and these SHGs are the most stable one. The study also found that areas like Bihar, UP, MP, Rajasthan have few NGOs for SHG promotion resulting in improper credit to poor.

**Seibel & Dave (2002)** studied the overall SLBP and its various impacts and what steps taken so far. Author also evaluated the need for fresh initiatives. The analysis was case study based. The study found that the profitability of SHG financing is better than other modes of rural financing. SHG financing resulted in increased vibrancy in bank branches, improved loan recovery and increased business activities. SHG movement led to increase in savings, growth of income generating activities, improved financial literacy and economic and social empowerment of women.

**P.Satish (2001)** attempted to compare the role of three institutional variants in promoting self-help groups, their strengths and weaknesses and to suggest which best practice could be copied from them. The study was case-study based. Three institutional variants were: banks, NGO's and government. The study reveals that the government, NGOs and the

banks are equally successful as SHPIs because the SHGs promoted under these entities have fulfilled the purpose of eradicating extreme poverty and empowering the less privileged section of society, especially women. Author also mentioned that the success is not due to type of institution but because of the best practices adopted by them.

**Maroor & K (2013)** studied the role of SLBP in achieving financial inclusion across various states. 16 states were studied for period of 2008 using secondary data from RBI, NABARD and Census of India. Applying regression model the study found that SLBP had positive and significant impact on financial inclusion with special concern to credit deepening. The programme also has a positive impact on economic development and financial literacy among people.

**Rangappa, Bai & Sandesh (2008)** examined the impact of SHG bank linkage programme on financial inclusion and whether the programme has increased the credit flow to deprived and vulnerable section of the population. Primary data about marginal and small farmers has been collected from Davangere district of Karnataka using multi-stage stratified sampling. Total 240 households were studied. It was found that the flow of credit to landless and marginal farmers has increased post linkage programme and discouraged the use of informal finance sources.

**Pokhriyal & Ghildiyal (2011)** studied the progress of microfinance in terms of linkage with banks and its success in reducing the disparities among the regions. Secondary data from Banking Statistics Return (BSR), RBI and NABARD publications has been used. The study found that commercial banks are not much successful in rural financing but microfinance has played an important role in rural financial inclusion, however the growth of microfinance is not even among the states.

## **Objective**

The main objective of the present study is to analyze the SHG-Bank Linkages among different type of banks in the states of India. The main objective is classified into following sub-objectives:

- To give an overview of commercial bank; regional banks and co-operative banks linkages with SHGs in India

- To study the pattern of SHG bank linkages in different states and UTs in the country
- To provide suggestions for future course of action for improving the performance of the SHG movement

## **Research Methodology**

The methodology used for the present study is both descriptive as well analytical. The study conducted with the help of secondary data collected from NRLM Reports, available at the official website of NRLM, which provides the details of the SHGs across different states of India. The interpretation and conclusion are based the data provided by the reports.

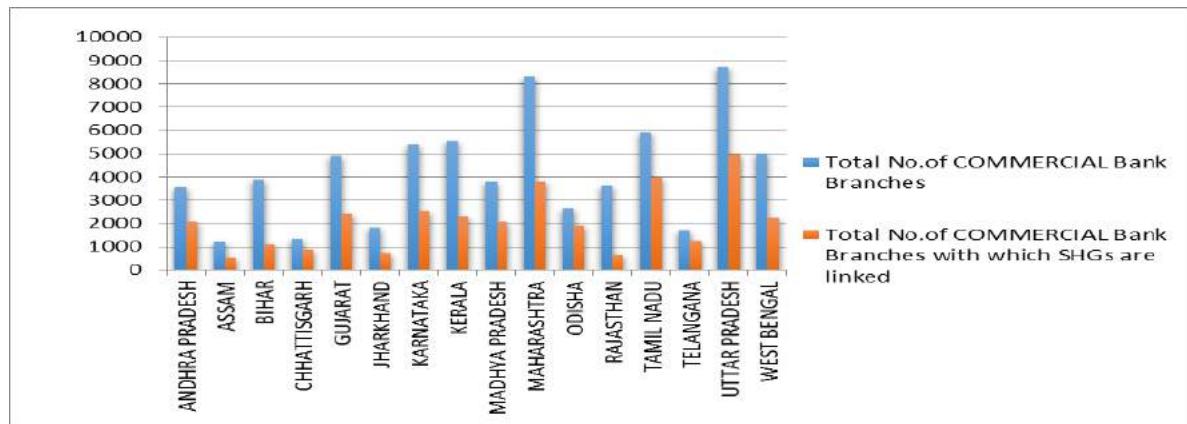
## **Significance of Study**

As the present study is analyzing the SHG bank linkages in the Indian states, the study will provide suggestion for further improvement in bank linkages and facilitate in better implementation of the NRLM linkages programme.

### **Analysis - Commercial Bank Linkage**

#### **SHGs Commercial Bank Linkage-NRLP States**

**Figure-1 SHGs Commercial Bank Linkage-North-West States**



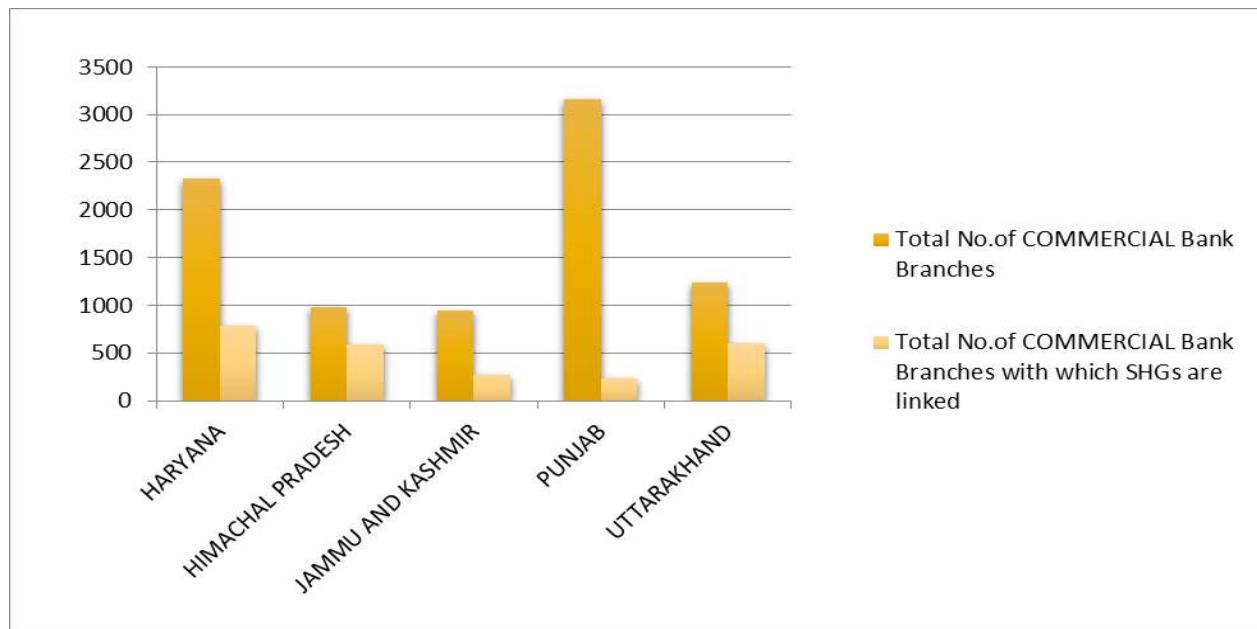
Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

From the **Figure-1**, we can see that the Commercial Bank (here after CB) branches with which SHGs are linked are almost half the total number CB branches in the NRLP states. From the data table also (See Appendix B), we see that total number of CB branches is 67327 in NRP States and the branches with which the SHGs are linked are 33461. The data shows that Uttar Pradesh is the state where there are maximum number of CB branches and maximum number of CB branches with which SHGs are linked (Number of branches-8728; Number of branches with SHG Linkage-4975). The NRP states with more than half of the CB linked with SHGs are Andhra Pradesh (58.5%)<sup>38</sup>, Chhattisgarh (64.9%), Madhya Pradesh (54.45%), Odisha (71.29%), Tamil Nadu (67.30%) and Uttar Pradesh (56.93%). The states with less than 30% branches linked with SHGs are Bihar (28.86%) and Rajasthan (17.42%). The average percentage of branches linked with SHGs in NRP states is 49.70%

### SHGs Commercial Bank Linkage-North-West States

**Figure-2 SHGs Commercial Bank Linkage-North-West States**



Source: NRLM Reports on SHG

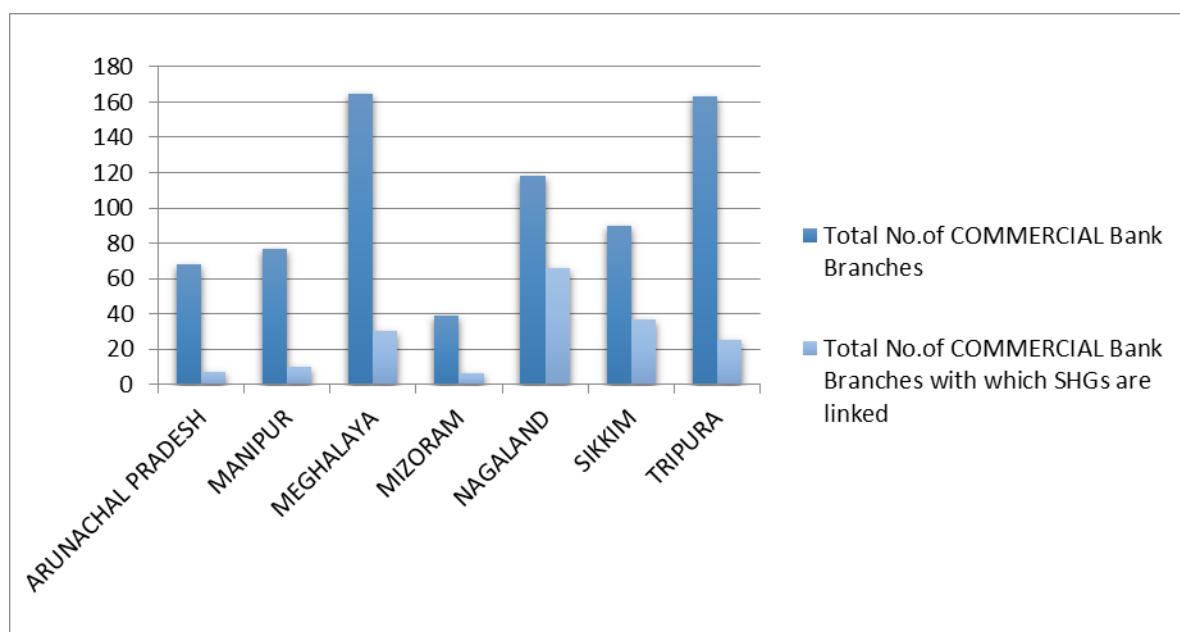
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<sup>38</sup> The percentage figures approximated to nearest two decimals.

**Figure-2** represents the CB linkages with SHGs in North West states of India. In North West states, the branches of CB linked with SHGs are even less than half of the total branches in the state except Himachal Pradesh (59.75%). The state with highest number of CB branches is Punjab (3165) and the state with largest number of branches linked with SHGs is Haryana (784). The state with least CB linkage with SHGs is Punjab (7.29%). The average percentage of branches linked with of SHGs is 28.57%.

### SHGs Commercial Bank Linkage-North-East States

**Figure-3 SHGs Commercial Bank Linkage-North-East States**



Source: NRLM Reports on SHG

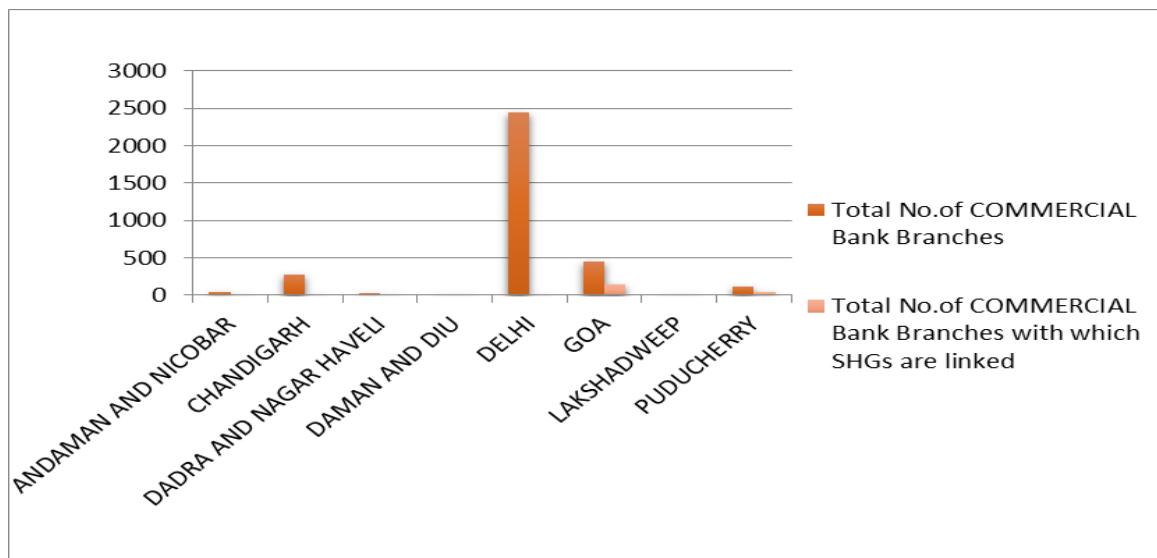
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**Figure-3**, explains the CB linkages with SHGs in North-East States of India. The average percentage of branches linked in 25.13% in these states. The state with maximum number of CB branches is Meghalaya (165) in North- East states and state with maximum number of branches linked with SHGs in Nagaland (66). The state with highest percentage of CB linked with SHGs is Nagaland (55.93%) and state with lowest percent of branches linked is Arunachal Pradesh (10.29%).

## SHGs Commercial Bank Linkage-Union Territories

**Figure-4** explains the CB in Union Territories of India. From the **Figure-4**, we observe that Delhi (2436) has highest number of CB among all the UTs and Lakshadweep has lowest number of CBs. The UT with highest number of branches linked with SHGs is Goa<sup>39</sup> (145, 31.86%). Goa and Puducherry are the only UTs where CBs are linked with SHGs.

**Figure-4 SHGs Commercial Bank Linkage-Union Territories**



Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

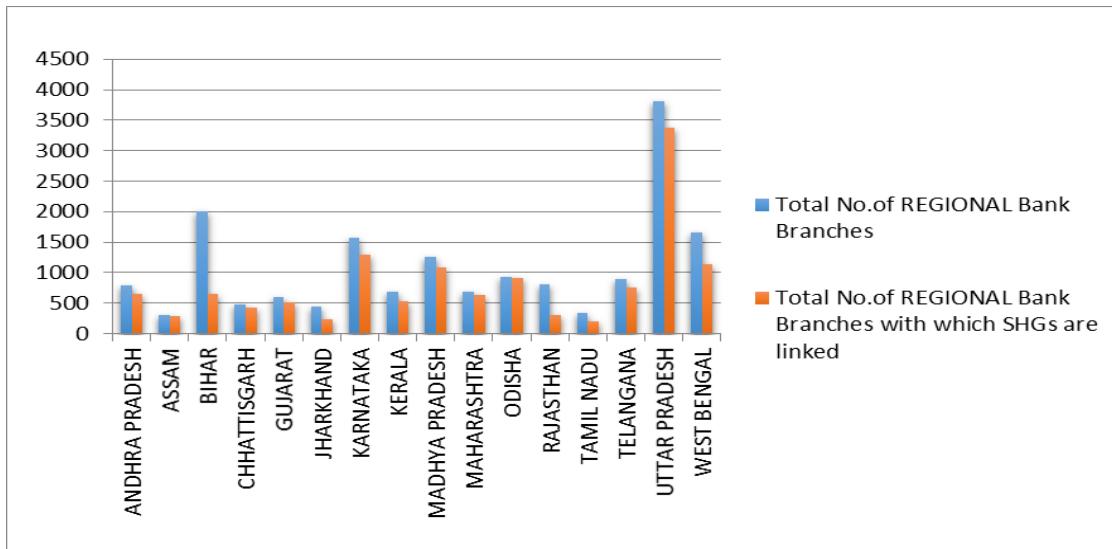
## Regional Bank Linkage

### SHGs Regional Bank Linkage-NRLP States

From **Figure-5**, it is observed that in all the NRLP states except Bihar and Rajasthan, the Regional Banks (RB) branches linked with SHGs are more than 50% the total number of RBs in these states. In Bihar only 32.35% and in Rajasthan only 38.12 % of RB branches are linked with SHGs. The state with highest number of RB branches is Uttar Pradesh (3817) and state with lowest number of RB branches is Assam (302).

<sup>39</sup> Goa is considered in UTs under NRLM database.

**Figure-5 SHGs Regional Bank Linkage-NRLP States**



Source: NRLM Reports on SHG

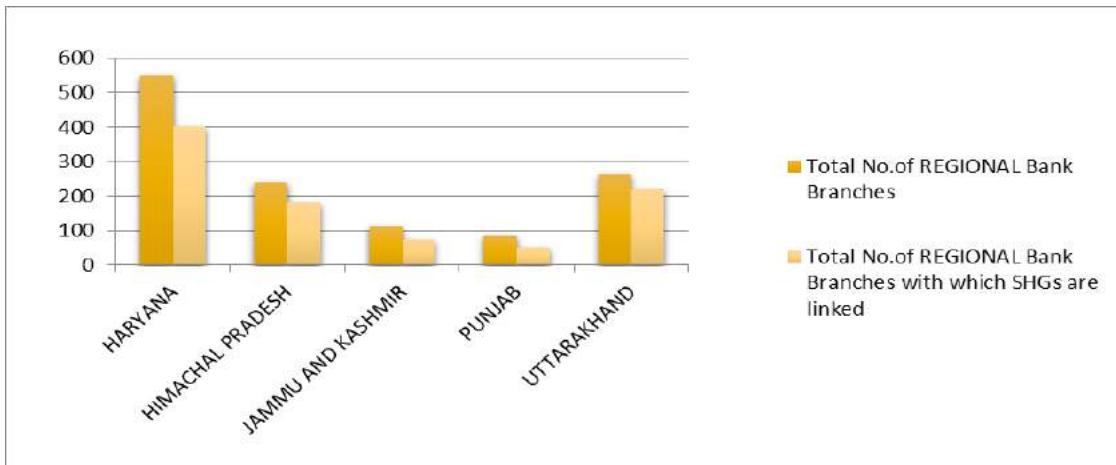
(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

The state with highest number of RBs branches linked with SHGs is also Uttar Pradesh (3377) and the state with lowest number of RB branches linked with SHGs is Assam (283). In terms of percentage, the state with highest percent of RB branches, which are linked to SHGs, is Odisha (97.64%) and the state where percentage is lowest is Bihar. The states with more than 90% of RB branches linked are Assam (93.70%), Maharashtra (92.61%) and Odisha (97.64%).

### **SHGs Regional Bank Linkage-North-West States**

**Figure-6** explains the RB linkages with SHGs in North West States. There are five states in North-West region. From **Figure-6**, we observe that in all the states of this region the RB branches linked with SHGs is more than 50%. The state with highest number of RB branches is Haryana (551) and Punjab (87) is the state with lowest number of RB branches. The least percent of RB branches linked with groups (57.47%). Uttarakhand is having highest percentage of RB branches linked with SHGs i.e. 83.01%.

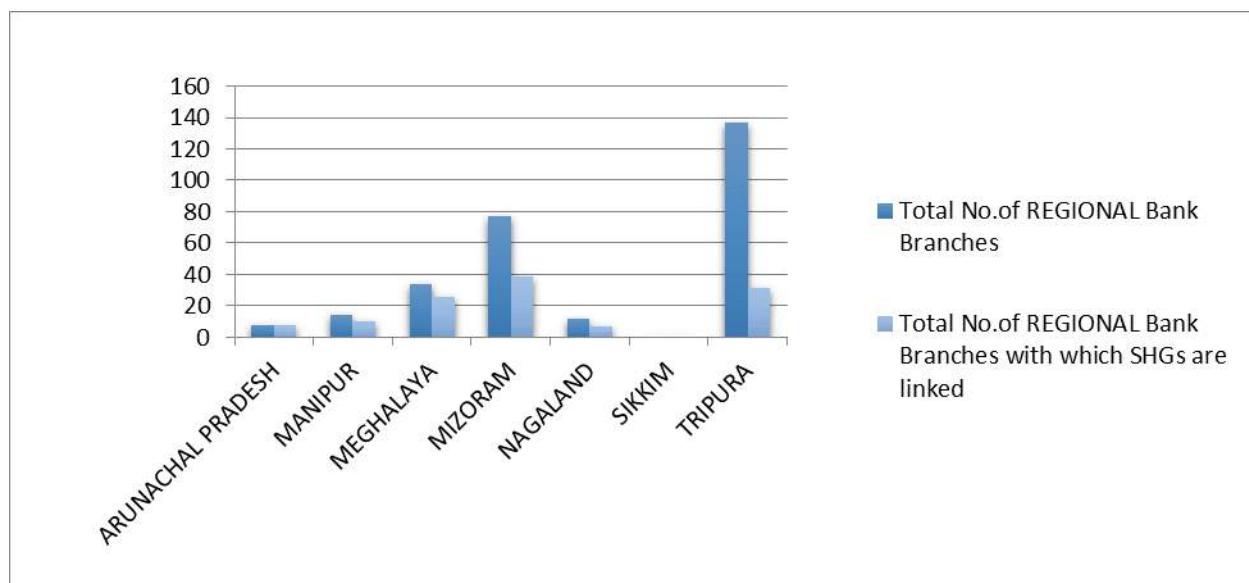
**Figure-6 SHGs Regional Bank Linkage-North-West States**



Source: NRLM Reports on SHG (<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

### SHGs Regional Bank Linkage-North-East States

**Figure-7 SHGs Regional Bank Linkage-North-East States**



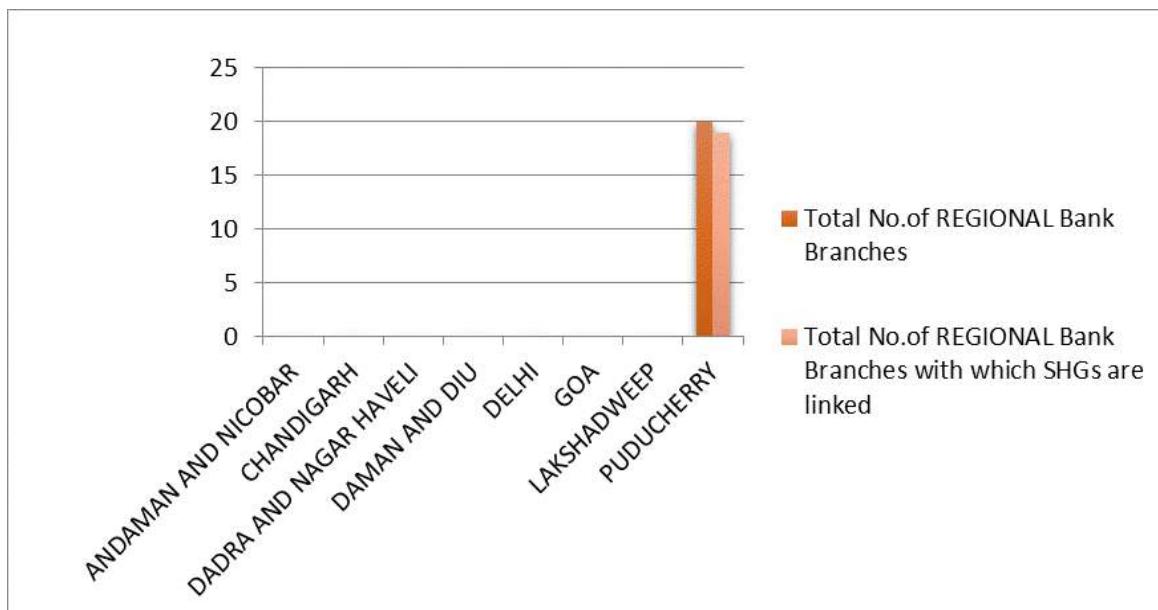
Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

From **Figure-7**, it is evident that the bank linkages of RB in Northeastern states are not in parity with NRLP states and North Western states. There are seven states under North East region. Sikkim is the state where there are no RB branches and Tripura have highest number of RB branches (137). The state with highest number of RB branches linked with SHGs is Mizoram (37). Arunachal Pradesh has 100% RB branches linked with SHGs, having 8 branches and all have SHGs linked with them.

### SHGs Regional Bank Linkage-Union Territories

**Figure-8 SHGs Regional Bank Linkage-Union Territories**



Source: NRLM Reports on SHG

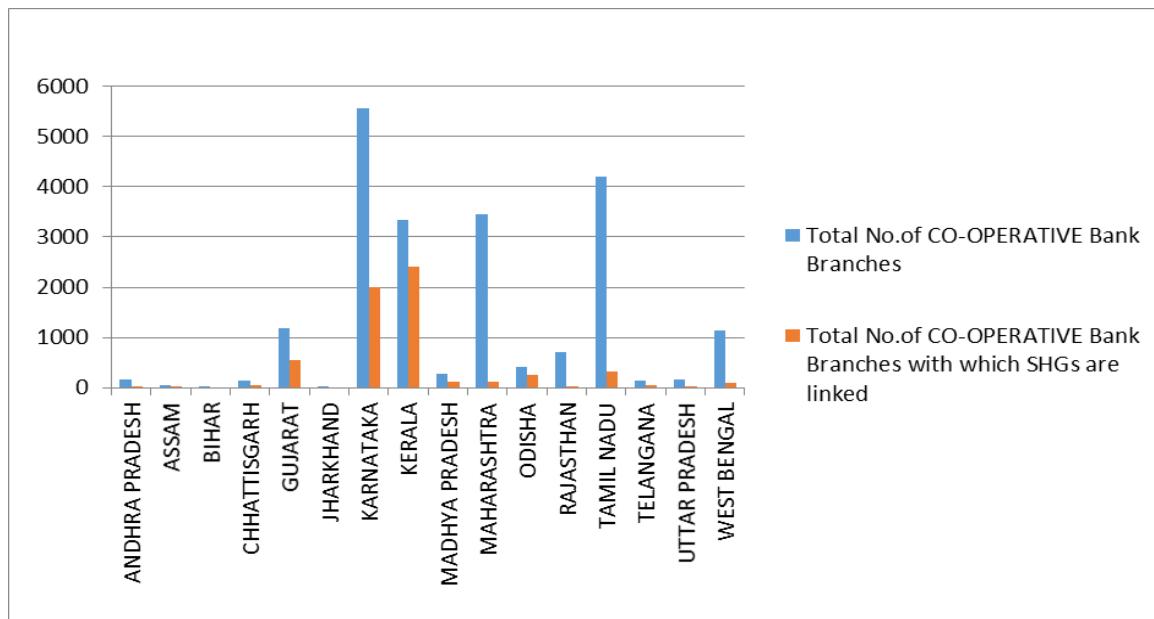
(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

**Figure-8** explains SHGs linkages with regional banks in the Union territories (UTs) of India. Puducherry is the only UT, which have Regional Bank Branches (20 branches). Out of 20, SHGs are linked with 19 branches (95%).

## Cooperative Bank Linkage

### SHGs Co-operative Bank Linkage-NRLP States

**Figure-9 SHGs Co-operative Bank Linkage-NRLP States**



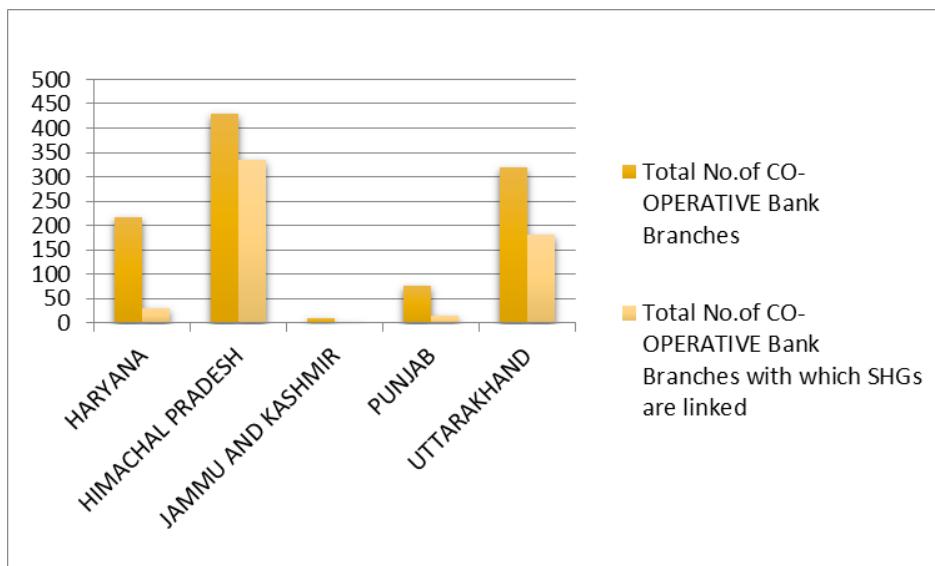
Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

**Figure-9** shows SHGs link with Cooperative bank branches in NRP States in India. Karnataka is the state with highest number of Cooperative bank branches (5572) and Bihar has least (1). Kerala is the state with maximum branches linked with SHGs in terms of number (2403). In terms of percentage, Assam (91.66%) has maximum cooperative bank branches linked with SHGs. Bihar and Gujarat have no Cooperative bank branch linked with the SHGs. After Assam, Kerala (71.98%) and Odisha (61.98%) are the only states, which have more than 50% of Cooperative bank branches linked with SHGs. Andhra Pradesh (0.598%), Maharashtra (3.455%), Rajasthan (0.419%), Uttar Pradesh (2.515%) and West Bengal (8.28%) have less than 10% Cooperative bank branches linked with SHGs.

## SHGs Co-operative Bank Linkage-North-West States

**Figure-10 SHGs Co-operative Bank Linkage-North-West States**



Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

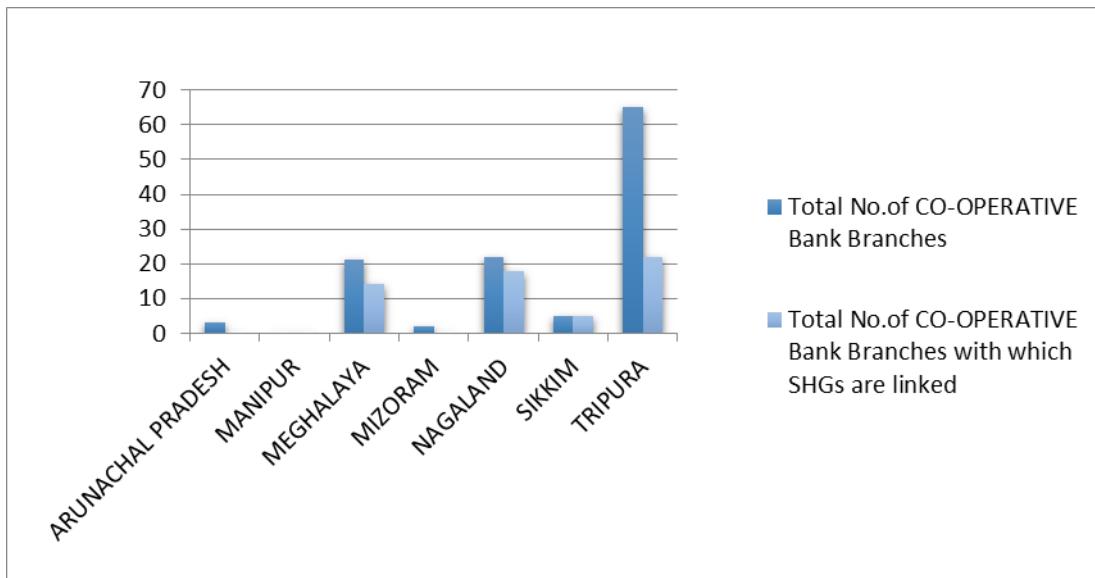
**Figure-10** give details of Cooperative bank branches linkage with SHGs in North West States of India. In North West states, Himachal Pradesh (430) is the state with highest number of Cooperative bank branches and Jammu & Kashmir (9) have least. Himachal Pradesh (336, Percentage 78.13) also has highest number Cooperative branches linked with SHGs. Haryana (13.42%) have least percentage of Cooperative bank branches linked with SHGs. From the Figure-10, we observe that Himachal Pradesh and Uttarakhand are the only states with more than 50% of Cooperative bank branches linked with SHGs.

## SHGs Co-operative Bank Linkage-North-East States

**Figure-11** give details of Cooperative bank branches linked with SHGs in North East states of India. There are seven Northeastern states out of which, Manipur is the only state that do not have any cooperative bank. Tripura (65) is the state with highest number of Cooperative bank branches and Mizoram (2) have least number of Cooperative bank

branches. Sikkim (100%) is the state with highest percent of cooperative bank branches linked with SHGs. No cooperative bank branch is linked with SHGs in Mizoram.

**Figure-11 SHGs Co-operative Bank Linkage-North-East States**



Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

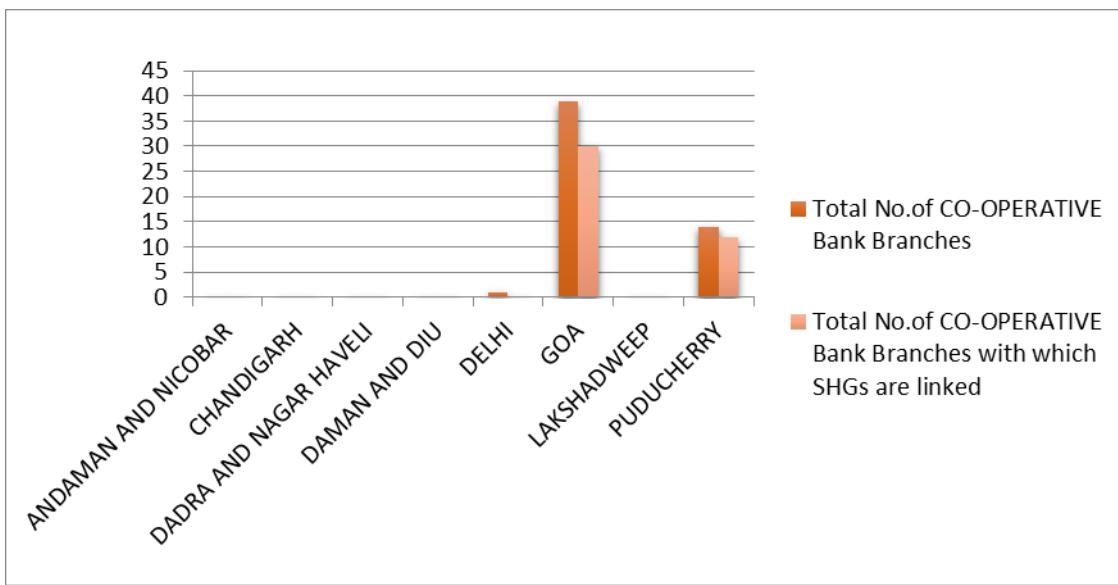
### SHGs Co-operative Bank Linkage-Union Territories

**Figure-12** explains the SHGs linkage with Cooperative banks branches in UTs. Goa<sup>40</sup> (39) has maximum number of Cooperative bank branches. Apart from Goa, Delhi (1) and Puducherry (14) have cooperative bank branches. No other UT has any cooperative bank. Goa has 30 (76.92%) cooperative bank branches linked with SHGs and Puducherry has 12 (85.71%) cooperative bank branch linked with SHGs. In Delhi, no cooperative bank branch is linked with SHGs.

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<sup>40</sup> Goa is considered as Union Territory by NRLM for bank linkage data as it cannot be part of any other classification

**Figure-12 SHGs Co-operative Bank Linkage-Union Territories**



Source: NRLM Reports on SHG

(<https://nrlm.gov.in/outerReportAction.do?methodName=showReportMaster>)

## FINDINGS AND CONCLUSIONS

**Table-2 Findings and Conclusion**

Type of bank	NRLP states	North West States	North East States	Union territories
<b>Commercial Bank</b>	Branches linked with SHGs are almost half the total branches. Average percentage is approx. 49.70%	Branches linked with SHGs are less than half of the total branches and average percentage is approx. 28.57%	In these states, average percentage of CB branches linked with SHGs is 25.13% and the highest percentage is 55.93% for Nagaland. Hence CB linkage is low in these states	Only two UTs have CB branches linked with SHGs, with Goa having highest percent of CB branches linked with SHGS (31.86%).
<b>Regional Bank</b>	Except two states in all the states, the RB branches linked with SHGs is more than 50% total number of branches.	In all the North West states, RB branches linked with SHGs is more than half the total RB branches. (Best case)	The situation is not good as compared to RB branches linkage in NRLP and North West states. There are very few RB branches and out of that, very few	Puducherry is the only UT, which have RB branches and 95% of these branches are having SHGs linked with them.

			have SHGs linked to them.	
<b>Cooperative Bank</b>	The Cooperative Bank branches are very uneven in these states and in linkages; there is high disparity among the states. In these states, the branches linked are as high as 91% and low as zero percents	The average in these states is approx. 50%, but in Haryana, this average is as low as 13 % showing the uneven development of Cooperative bank linkage with SHGs.	In these states also the Cooperative bank branches linkage with SHGs as not evenly dispersed. Out of 7 states, one even does not have any cooperative bank branch, those who have some, have 100% branches linked to SHGs, and some do not have any SHG linked to it.	In UTs, also the situation is same as North East states. Some UTs do not have any Cooperative Bank branch. But the states, which have Cooperative bank branches, linkages are very good, i.e. more than 50% of the total cooperative bank branches

From **Figure 1 to Figure-12 and Table-2**, a conclusion drawn is that the bank linkages are not uniformly distributed in India across the whole country. Some states have high number of SHGs linked to banks while some states do not have even one branch, which have any SHG linked to it. It is also observed that, compared to Commercial Bank branches and Regional Bank branches, the number of Cooperative bank branches is very less in all the states of the country.

Thus, the Cooperative movement in India needs a boost, which is possible with help of government intervention and proper participation of the local people of the states. SHGs are imperative for including that populace in the formal financial system that is not able to have it on their own individually **Patel & Soni, (2018)**. Thus, it is necessary to have to enlarge the reach of formal finance through SHGs and the SHG bank linkage programme will play a very significant role in this movement of Financial Inclusion. Government has done a lot in this direction, but still a great deal of work is still needed in this direction.

First thing to do now is to improve the reach of the programme in the states, where it is still in the initial stage. Secondly, the awareness among the population is also necessary to improve the make the programme successful. Apart from this use of technology and proper implementation of the policies will also help in achieving the objective of development.

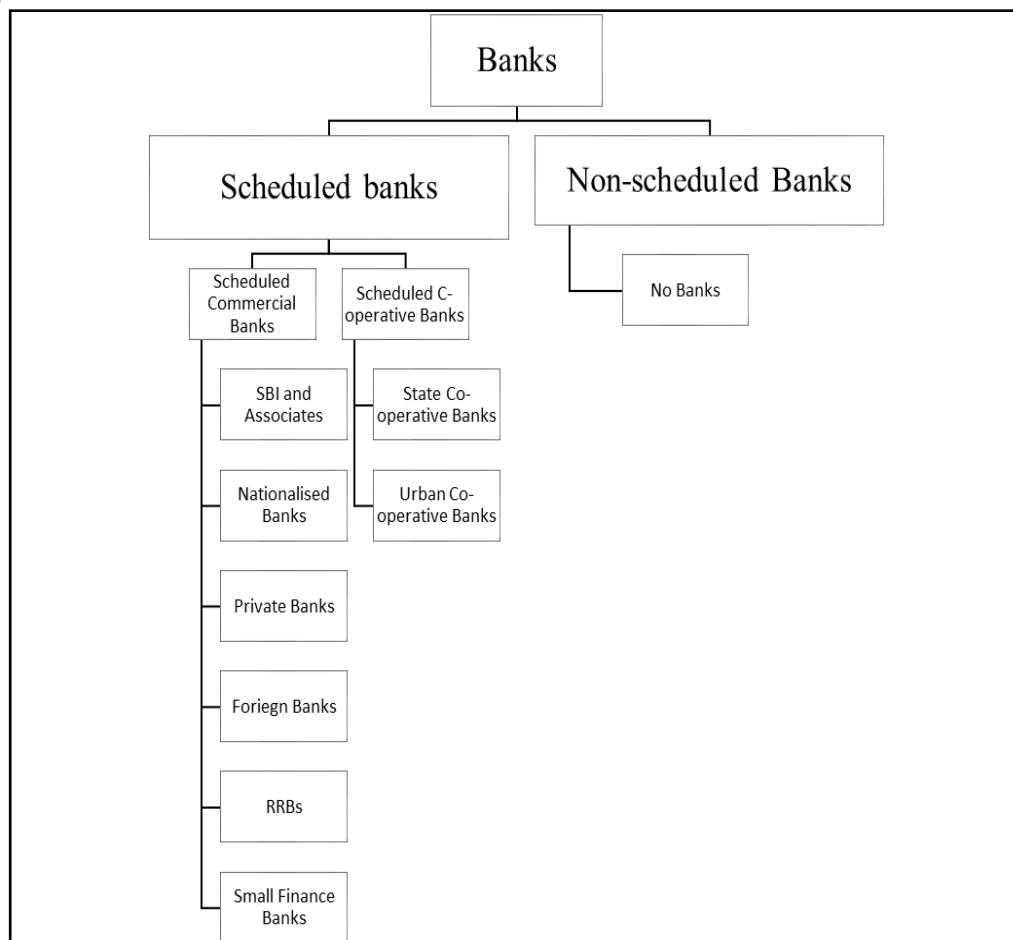
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## Appendix

A. )



## B. ) Tables for SHG Bank Linkage in Indian States

State Name	NRLP STATES									
	Total No. of COMMERCIAL Bank Branches	Total No. of COMMERCIAL Bank Branches with which SHGs are linked	Percentage	Total No. of REGIONAL Bank Branches	Total No. of L Bank Branches	Percentage	Total No. of REGIONAL L Bank Branches with which SHGs are linked	Total No. of CO-OPERATIV E Bank Branches	No. of CO-OPERATIV E Bank Branches with which SHGs are linked	Percentage
ANDHRA PRADESH	3538	2070	58.50763143	794	648	81.61209	167	1	0.598802395	
ASSAM	1229	555	45.15866558	302	283	93.70861	36	33	91.66666667	
BIHAR	3860	1114	28.86010363	2000	647	32.35	1	0	0	
CHHATTISGARH	1319	856	64.89764973	485	429	88.45361	126	42	33.33333333	
GUJARAT	4892	2434	49.75470155	606	521	85.9736	1173	537	45.78005115	
JHARKHAND	1813	736	40.59569774	452	236	52.21239	3	0	0	
KARNATAKA	5400	2534	46.92592593	1569	1293	82.40918	5572	2001	35.91170136	
KERALA	5537	2327	42.02636807	693	539	77.77778	3338	2403	71.9892151	
MADHYA PRADESH	3787	2062	54.44943227	1759	1083	86.02065	284	116	40.84507042	
MAHARASHTRA	8309	3799	45.70947166	691	640	92.61939	3444	119	3.455284553	
ODISHA	2630	1875	71.29277567	933	911	97.64202	413	256	61.98547215	
RAJASTHAN	3628	632	17.42006615	800	305	38.125	715	3	0.41958042	
TAMIL NADU	5925	3988	67.30801688	342	205	59.94152	4213	326	7.737953952	
TELANGANA	1722	1222	71.82229965	783	783	94.88568	128	36	7.1875	
UTTAR PRADESH	COMMERCIAL BANK	5351	56.93522545	342	3377	Bank 7262	159	15	OPERATIV	
WEST BENGAL	CIAL Bank	45.02	168	168	1167	Bank 60458	1147	9	OPERATIVE	
<b>Total</b>	<b>57327</b>	<b>33611</b>	<b>49.69922914</b>	<b>17305</b>	<b>13026</b>	<b>75.27704</b>	<b>20919</b>	<b>5983</b>	<b>26.60079354</b>	
State Name	SHGs are linked				SHGs are linked				with which SHGs are linked	
ANDAMAN AND NICOBAR	38	0	0	0	0	0	0	0	0	0
CHANDIGARH	269	0	0	0	0	0	0	0	0	0
DADRA AND NAGAR HAVELI	25	0	0	0	0	0	0	0	0	0
DAMAN AND DIU	20	0	0	0	0	0	0	0	0	0
DELHI	2436	0	0	0	0	0	0	1	0	0
GOA	455	145	31.86813187	0	0	0	0	39	30	76.92307692
LAKSHADWEEP	10	0	0	0	0	0	0	0	0	0
PUDUCHERRY	117	39	33.33333333	20	19	95	14	12	85.71428571	
<b>Total</b>	<b>3370</b>	<b>184</b>	<b>5.459940653</b>	<b>20</b>	<b>19</b>	<b>95</b>	<b>54</b>	<b>42</b>	<b>77.77777778</b>	
State Name	NORTH WEST STATES									
	Total No. of COMMERCIAL Branches	Total No. of COMMERCIAL Branches with which SHGs are linked	Percentage	Total No. of REGIONAL Bank Branches	Total No. of L Bank Branches	Percentage	Total No. of REGIONAL L Bank Branches with which SHGs are linked	Total No. of CO-OPERATIV E Bank Branches	No. of CO-OPERATIV E Bank Branches with which SHGs are linked	Percentage
HARYANA	2334	784	33.59040274	551	400	72.59528131	216	29	13.42592593	
HIMACHAL PRADESH	979	585	59.75485189	240	182	75.83333333	430	336	78.13953488	
JAMMU AND KASHMIR	945	269	28.46560847	112	73	65.17857143	9	3	33.33333333	
PUNJAB	3165	231	7.298578199	87	50	57.47126437	77	14	18.18181818	
UTTARAKHAND	1234	605	49.02755267	265	220	83.01886792	319	182	57.05329154	
<b>Total</b>	<b>8657</b>	<b>2474</b>	<b>28.57802934</b>	<b>1255</b>	<b>925</b>	<b>73.70517928</b>	<b>1051</b>	<b>564</b>	<b>53.66317793</b>	

# ENHANCING THE ACCURACY OF PERSONALITY ASSESSMENT DURING RECRUITMENT

**CDR Pratap Pawar**, Fmr Serviceman Indian Navy,  
Director HR, IT & Shared Services at Great Software Lab  
[princeofnavy@gmail.com](mailto:princeofnavy@gmail.com)

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## ABSTRACT

**C** “*change is how the future invades the present and only the most adaptable and the most adoptable survive and flourish with change while the overawed and listless perish in its onslaught*”

1. There is an interesting story regarding the origins of Acupuncture. The Chinese Emperor had a simple test for recruiting war soldiers, make them stand against hailstorm of arrows. Soldiers that made out alive became the automatic choice. However, as an offshoot of this strange recruitment test was the realization that some soldiers though wounded by the arrow did not feel the pain and in fact felt healthier after a few days. The Royal Physician then carefully studied this phenomenon and came with the theory of Acupuncture where certain points of human body when stimulated with pointed needles had medicinal effects on vital organs. While we do not have the luxury of following such quirky recruitment methods in modern day corporate environment, we do have the privilege of having numerous scientific psychological methods at our disposal that can provide us an almost accurate picture of the person our Organizations intend to hire. The challenge however, is to string together a series of such test, administer them without raising the defence mechanism of the candidates and analyse the results accurately.
  
2. Every human being is bestowed with one skill or the other, the challenge is to identify these skills and to ascertain whether the individual is capable of utilizing those skills to good effect resulting in a productive environment for the organization. Usually a series of technical and HR interviews are conducted by organizations in order to ascertain the “Technical & Personality/ Culture Match”. These methods though elaborate are fraught with numerous pitfalls and inherent flaws that make them inaccurate, cumbersome and

unrealistic on many occasions. Just imagine judging a cow and a fish only on the basis of a swimming test. The results, no matter how sincerely and scientifically interpreted are going to be skewed and would not do justice to the talents of one candidate. This “One shoe fits all” approach during recruitment has been one of the major reasons why Organizations across the board struggle with high attrition rates and are forced to spend big on Employee engagement and retention.

3. Though not comprehensive in itself the science of psychology and observation has created numerous reliable methods and tests to understand the human behaviour especially when it comes to accurately characterizing humans into predetermined buckets and correctly predicting the outcome of human response to certain conditions. This has opened the doors to identification of the most suitable methods for recruitment for a particular job. However, dependency on the methods of admission and the acceptance of these methods by the candidate makes the assessment process of personality and behaviour less accurate. While some serious research has been done on crafting a comprehensive skills assessment test as well behavioural analysis models, the implementation, especially through the personality/ behavioural analysis models is too time consuming. Deep probing through psychometric analysis, though believed to be fairly accurate in the assessment of the personality of the candidate, could be uncomfortable for the candidate, not to mention the possibilities of deliberate manipulation and hoodwinking of the tests.

4. It is a complex task to study the Personality or behaviour patterns of a person. Even a simple question like “How do we divide personality?” generates a vast range of responses. Different views and divisions often reflect the irreconcilable differences between the students of psychology and tempts one to discard all of them. It is often wondered whether any personality could ever be measured. Attempts by psychologists and Armed Forces to decode the personality puzzle proved fruitful during the World War-II giving us the Battery of psychometric tests which worked well for a long time and were used extensively worldwide by organizations seeking to hire the best.

5. Psychometrics literally, means mental measurement, and the use of psychometric tests or instruments is seen as use of measurement devices. The measurements thus achieved are used to gain understanding of an individual in order to be able to predict behaviour and provide the basis for any future action. Although personality analysis has been the subject of much attention, both at the corporate as well as at the educational level, it is only recently that students of psychology have started providing answers to some of the fundamental questions posed. In the book “Blink- The Power of Thinking without Thinking”, author and psychologist, Malcolm Gladwell, states that every interview decision is made within first 6 seconds of meeting the candidate. Everything else that happens thereafter is an attempt to justify the decision.

6. The power of observation coupled with these psychometric techniques can go a long way in enhancing the accuracy of the interview process. This can also be expected to make the interview process more scientific with more accurate results irrespective of the state of mind of the participants and might be able to reduce the error caused due to human fatigue and bias ushering a new change in the way the psychometric personality tests are administered and perceived by the candidates. Gamification approach can ensure that the candidates approach each test as a challenge and put their best foot forward in order to provide their best response. Moreover, recent advances in the field of psychology and its ability to merge seamlessly with the modern technology provides us with an opportunity to fine tune these methods to improve its accuracy and efficiency. This not only opens the door to resistance free administration of the tests but also creation of a customized test for each candidate. Customizable psychometric tests coupled with observation techniques and administered through a technology platform that enables gamification is going to be the future of recruitment.

7. The paper would explore the existing gaps in the “Human behaviour/ personality assessment” which is a part of the recruitment process and propose a comprehensive set of tests that would amalgamate few time tested and some modern methods to bridge this gap. The paper would also aim at gamifying the process so that the appearing candidates find the process intriguing and interesting enough to provide their consent for the test.

## **Key words**

Personality analysis / HR Interview / Assessment centres / Psychometric analysis / Interview structure / Face mapping / facial expressions / Body language / Micro expressions / Gamification / Recruitment /

## **INTRODUCTION**

The average brain to body weight ratio of humans is way higher than that of all other living species on the planet. This high ratio provides the humans with numerous additional capabilities and most importantly the sense of self awareness. This also provides the humans a distinct advantage over other living beings on Earth. This enables the humans to think, alter and control the environment around them and in turn control the habitats of other species. However, this very ability makes the human species manipulative and in some cases greedy and disrespectful towards others needs thus inadvertently or deliberately causing serious harm to them. While the human brain has evolved over the ages in order to adapt to the environment and flourish. This constant evolution has made the human brain very complex and dangerous.

Having the right mix of people in a group, tribe or organisation has always been the key to survival and progress, and the humans understood this fact very early in their existence. They also understood the importance of having a right selection process in place in order to ensure that to happen. While earlier it was the physical ability that counted high on the Job description, over a period of time and with the advent of modern age machines, it is intelligence and skills that have replaced brute strength. In addition the emotional side of personality also started featuring high on the list of recruiters. Understanding / knowing the behaviour pattern of a person and being able to accurately predict how that person would react to certain situations became critical to ensure long term association and cultural fit into the organisation.

Management as science has evolved over the years and so has the understanding of human psychology. Together these two streams have contributed immensely to the overall understanding and predictability of human behaviour. Though not comprehensive in itself the science of psychology and observation have created numerous reliable methods and tests to understand the human behaviour especially when it comes to accurately characterizing humans into predetermined buckets and correctly predicting the outcome of human response to certain conditions. This has opened the doors to identification of the most suitable fit during human recruitment. The employer is in a good position to predict with a good certainty Every Organisation wants to hire the best and most suitable candidate during the interview process. However, the process that validates the perfect match of the required candidates is tricky to say the least and is fraught with inherent errors accruing due to numerous disjointed processes. The world has moved on from Human Resource Management (HRM) to Human Capital Management (HCM). Human being is no longer seen as a resource that can be utilised but rather as a Capital that has to be invested in to obtain superior results. Moreover, the Capital increases with time and becomes an invaluable asset to the organisation.

While the assessment process for technical or the hard skills is structured and relatively accurate the same cannot be said about the personality and behaviour assessment interviews. All the technical skills and experience gained by an on boarded candidate would come to a naught if the candidate hired does not have the right attitude and inclination to exercise the skills. A cultural misfit candidate would not only prove unproductive and become a roadblock to the functioning of the team but may also cause a long term damage to the team's camaraderie and social fabric. While some serious research has been done on crafting a comprehensive skills assessment test as well behavioural analysis models, the implementation, especially with respect to the personality/ behavioural analysis models are too time consuming (Military Battery of Tests) and deep probing (psychometric analysis) for the comfort of the candidate as well as the interviewer leaving a huge scope for deliberate manipulation and hoodwinking of the tests. Moreover, the results of these tests are largely dependent on the method of admission and the acceptance of these methods by the candidate.

1. Broadly we can categorize the goals of any personality assessments as below:-

- Physical observation (HR round) -Observation/ Body language
- Mental assessment (Technical + HR) -Psychometric tests
- Intelligence assessment (Technical + HR) -IQ and Brain centric tests
- Emotional assessment (HR round) -EQ checks & situational analysis
- Spiritual assessment (if required/ HR) -Self/ social awareness

2. Out of the tests/ assessments listed above lot of research has gone into creation of personality assessment test that bring out the strengths and challenges in a person's personality. Test such as psychometric assessment, MBTI, DISC, Cattell culture fair, Turing test etc. are popular and widely used. However, not much attention is paid towards the following:-

Observation of candidate's behaviour and expressions

Structuring of the Questions

Delivery of Questions

Candidate's state of mind during the interview

Candidate's inclination to undertake the test

Customized assessment pattern

3. Most of the established tests work in isolation and do not really complement each other. While the battery of tests created during the World War-2 are highly accurate and conducted by the Armed forces worldwide may be considered comprehensive however, they require a time span of 2-3 days, which is impractical in corporate culture. What would be really interesting is if we are able to squeeze the essence of these tests into an hour or so with reduced accuracy. This might still be a far better and accurate option than the existing options. Further gamification of such tests to cater to the taste of the new age screen addicted pool of talent, would ensure that the eagerness and consent factor is taken care of.

## **Micro expressions and the art of observation**

Observation is an important aspect of any selection process. Even a new born baby is known to differentiate people based on observation and smell even though its eyesight is not fully developed. We have been blessed with an eyesight that enables us to observe the visible light from the entire spectrum. However, not all of us have fully utilised the power of observation. The human eyes has its limitations due to the blind spot and peripheral bias wherein we rarely register minute changes that happen within our plain eyesight but within the peripheral vision. Similarly eyesight bias restricts the interviewers from fully capturing and understanding the message being expressed by the candidate's body and face.

The way a candidate reacts when certain questions are being asked or how the facial expressions change while replying could reveal a lot more than what the words convey. If the recruiter/ interviewer is trained to observe the subtle changes in body language and facial micro expressions they would be in a much better position to accurately create a pen picture of the candidate and present the same to the designated manager. Human face mirrors the thoughts in the mind. Generally one look at the facial expression is good enough to convey what a person is trying to convey however, it is not very reliable since many of us have learned to fake certain expressions and in many cases control the expression itself. While it is possible to control the body language and facial expressions with practice there are certain micro expressions that are impossible to control since the person is not aware of their existence.

## **REVIEW OF LITERATURE**

### **Measuring Personality**

Personality is too complex to study only as a whole entity. Philosophers and psychologists from Aristotle onwards have understood that it had to be divided to promote its study (Allport, 1937; Aristotle, *On the Soul*, trans. 1957). The division of personality into a few areas is often labelled a structural approach, because one is looking at stable, long-term, articulated areas of personality. A seemingly simple question such as “How shall we divide personality?” generates a bewildering set of responses. Psychodynamic psychologists divide the mind into id, ego, and superego (Freud, 1923/1960); humanists into the false and real self (Rogers, 1951); social– cognitive psychologists into encodings, expectancies and beliefs, and self-regulating plans (Mischel & Shoda, 1995). Trait theorists use the Big Five traits (although some regard this as more a structure of traits than of personality) (Block, 1995; Goldberg & Rosolack, 1994). Predating them all, and still current, is an 18th-century division of the mind into motivation, emotion, and cognition (Hilgard, 1980; Mayer, Chabot, & Carlsmith, 1997; Mendelssohn, 1971). These different divisions may appear to reflect irreconcilable differences within the field. One drastic solution would be to abandon their use (Brenner, 1998). From the systems framework view, however, such divisions are essential. In

“Sense and Nonsense in Psychology”, the author Hans J. Eysenck posed the question whether personality could ever be measured. He noted: “the answer depends on what we mean by personality, what we mean by measurement, and, indeed, one might even maintain that it depends on the meaning of the term ‘can’ ” (Eysenck, 1958, p. 175). Although personality analysis has been the subject of much attention, both at the corporate as well as at the educational level, it is only recently that students of psychology have started providing answers to some of the fundamental questions posed. Selection can be defined as the combination of processes that lead to the choice of one or more candidates over others for one or more jobs or roles. Assessment is the application of systematic processes to understand the performance of individuals or groups, either currently or in a predictive sense. Performance management has been defined (Armstrong and Baron, 1998) as ‘a

strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors'. Psychometrics, literally means mental measurement, and psychometric tests or instruments are measurement devices. The measurement is used to gain understanding of an individual so as to be able to predict behaviour and provide a basis for future action.

### **Competency vs Personality**

It can be said that assessments during the selection process are the inputs used to predict future outputs. The inputs captured during the process might be current in nature. Most often, though, it may include aspects of past/ previous behaviour especially so when the same candidate responds to a proper structured interview in terms of previous successes, or often reflects upon habitual preferences in response to questionnaire. A common link in both cases emerges that of competency. Competency, as a term may sometimes be used meaning a modern version of dimensions, traits, criteria or themes of behaviour. The current usage is attributed to Boyatzis (1982), who plays an instrumental role in defining 'a capacity that exists in a person that leads to behaviour that meets the job demands within the parameters of the organizational environment and that, in turn, brings about desired results'. An almost equal definition came from Evarts (1987) and defines as 'An underlying characteristic of a candidate causally related to effective or superior performance in a job or role.' Thus by referring to an underlying characteristic we mean something that is likely to be sustained, repeated and reliable over time. It is not, however, necessarily implied that this should be something absolutely fundamental to Psychometric tests have a history that, although not long, goes back further than is often realized. They originated in work related to education in the latter part of the 19th century, for example by the American Cattell (1890) and the Frenchmen Binet and Henri (1895), with the first published test being produced by Binet and another associate, Simon, in 1905.

### **Assessment Centres**

Assessment centres have a long history with origins generally ascribed to the methods adopted by the British, German and US armed forces during the Second World War for

officer selection. The original US work for the Office of Strategic Services (OSS) is described by Mackinnon (1980). Civilian applications - The method was taken up in the British Civil Service in the 1940s for its fast track administrative class entrants. The first commercial applications were in the United States in the 1950s. Today the method is widespread commercially and in the public sector. Part of the early scientific interest surrounding tests centred on the way in which intelligence could be described and its structure characterized. There was debate, for instance, on the number of factors into which general intelligence could be divided (eg Spearman, 1904). The general way in which tests should be applied was set out fairly early on in this process, with scientific and professional standards being progressively laid down. For example, the National Institute of Industrial Psychology (NIIP) in Britain began formally teaching test use and administration in the 192s. The American Psychological Association (APA) first issued standards for testing in the very early days (1905, as reported by Cronbach, 1966) with progressive development subsequently (APA, 1954; APA, American Educational Research Association and National Council on Measurement in Education, 1974).

### **Tests vs Non Tests**

Tests vary in form and it is the systematic approach rather than the form itself that is key. Certain standards in the construction of a test are also necessary for it to be truly regarded as a proper psychometric instrument. Such standards are promulgated and supported by bodies such as the British Psychological Society (BPS) or American Psychological Association (APA) and essentially cover the research requirements necessary to set up a psychometric test. These include the development of an appropriate and systematic means of interpretation. Without such standardized methods tests are of little practical use. American Psychological Association in its technical recommendations (1954) suggested that the term 'questionnaire' rather than 'test' should be generally used in the title of personality measures. The argument runs that such instruments do not test behaviour directly, but rather how the respondent chooses to describe his or her behaviour. It has also been argued (e.g. by Cronbach, 1966) that such questionnaires or self-report inventories, as they are sometimes known, indicate typical behaviour. There are no rights or wrongs and

these measures are contrasted with ability tests, which has right and wrong answers, and whole focus is upon scoring high.

Psychometric tools available today are pretty effective in case of active participation of the subject. However, that is not the case in majority of hiring requirements wherein desperate candidates could be expected to find ways to hoodwink the tests. The present tests are too straight jacketed wherein direct questions are asked to the participants who are often reluctant to take such tests seriously and doubt the results. Moreover, the time required to administer such tests and the nonstandard results make them further untrustworthy and cumbersome. There has been a lot of research undertaken by renowned psychologists and social scientists. However, one can see from the historical perspective that there are no set standards and rules and the ground realities change very fast.

Moreover, the previous research does not focus much on standardizing the process and eliminating the errors cropping up due to individual bias of the person administrating the tests. The researchers, although well aware of the fact, have generally ignored that the results are subjective to the state of mind of the candidate and the way the tests are applied. The probability of fake responses is never considered and a standard set of answers are provided with a rider that there are no right or wrong answers. There is a need to study and analyse the effect of forced response on the candidates, wherein instead of ambiguous answers without any implications the candidates needs to be given a fixed set of responses which specifically measure various aspects of the personality including the decision making and risk taking trait. The interviewers also need to be on the lookout of tell-tale signs displayed by the candidate to judge the probability of the response being a truthful answer or a fake dodge.

Another area that has remained mostly untouched by researchers is the involvement of the candidate. The candidate's state of mind and his background has a major impact on the test results. Neutralizing the candidate's mind before application of the tests is never done for paucity of time and lack of appreciation. In fact the accuracy of the test results would dramatically improve if a candidate eagerly participates in the tests and volunteer accurate information.

Interview shortlisting/ selection can also be viewed as a combination of processes leading to final choice of one or many candidates over others. This might be for one or many roles or/ and jobs. Assessment can be defined as the application of a predetermined systematic processes to better understand the responses of individuals or groups, in present or in a predictive sense. Being a process involving many individuals (Technical/ psychology/ core HR etc.) the amalgamation these processes into one interview/ recruitment process is fraught with bottlenecks and creases that require ironing. A close study of the entire Talent Acquisition process reveals a quagmire of following problems:-

- (a) Unstructured interview Process
- (b) Lengthy and clichéd set of questions
- (c) Inaccurate methods of capturing candidate's response intent
- (d) Outdated methods of presenting the psychometric test questions.
- (e) Person (interviewer) dependent response analysis.

## **Experimentation**

The author being a part of recruitment team of a corporate office utilised his interactions with the candidates to capture the observations. His observations span over a period of 3 years and over 2000 candidates. Consent was obtained from each candidate before starting the interview. In order to create reliable observation database and to arrive at a scientific solution, the author who has also been a part of the Services Selection Board (Indian Armed Forces) trained himself with the following before starting the experiment:-

- MBTI, 16PF & DISC, HBDI analysis methods
- SSB selection process
- Psychological interrogation methods

- Handwriting analysis
- Body Language and Micro expressions scanning techniques
- Predictive Analysis & Extrapolation methods

A standard interviewing template outlining the sequence of questions/ tests was prepared. The entire series of tests was interspersed with many irrelevant yet appealing questions to grab attention of the candidates and elicit a serious yet predictable response. The most potent questions and tests were hidden behind the garb of gamification and role play. The process of settlement, relaxation, positive excitement, shock and awe followed by relaxation was repeated multiple times to obtain candid responses. Role play method was used to obtain data pertaining to micro expressions observed during a “Dare you to truth” or a “Lie to me test”. Following method was used to obtain intelligence from the data and to verify the efficiency of the method:-

- Preparation of standard test flow
- Administer the tests to known people (personality standards)
- Record of the interview process and answers
- Map the results against created personality standards
- Predictive analysis and pen picture presentation to the recruiting team manager
- 3 point (1/3/6 months)engagement with the recruiting manager to ascertain the matching of predictions
- Active Engagement with candidate over a longer period for verification  Fine tuning of standards based on feedback

## ***OBSERVATIONS***

After conducting the experiment for over 3 years and verifying the predictions repeatedly the author has concluded the following:-

- The accuracy of predictions improved from 40% to 65% over the period. As the number of interviews increased the test questions and methods were fine-tuned thereby improving the method of administration of the test drastically.
- With increased number available for comparison the accuracy of standards also improved. New standards were added to create a base of standards to build upon other personality factors.
- All candidates (100%) agreed to take the gamified version of the tests over the traditional HR interviews, without any hesitation and gave their consent.
- Gamification improved the candidate participation and improved connect between the interviewer and the candidate thereby increasing the number of offer acceptances.
- Gamification and role play helped the candidates open up and reveal much more about themselves which they might have done in the traditional method. A very deep personal level connect could be established which helped tremendously once the candidate joined the organisation. The candidate continued the engagement and the bond and trust with HR grew stronger with each engagement. The attrition rates went down.
- Micro expressions observed during the process were helpful during engagement and covert concern collection meetings with the candidate.
- Training the interviewers for structured assessment tests positively impacts the accuracy of the test results.
- Better structuring of the test questionnaire during structured assessment tests positively impacts the accuracy of the test results

- Training the interviewers for observing micro-expressions positively impacts the accuracy of the test results

## **CONCLUSION**

In view of the results obtained during sustained efforts of over 3 years the author is compelled to conclude the following:-

- Present approach of conducting personality analysis in isolation is fraught with inherent drawbacks and is unreliable. However, combining different methods (observation/role play/ assessment centres) improves the accuracy of assessment.
- Gamification of the HR interview process helps the candidate open up since they feel that they are participating in a game and not being judged. This provides them the confidence to volunteer information about themselves which they would not have done otherwise.
- The bond created during such engaged interviews goes a long way in deepening the trust between employees and HR team. In fact the candidates joining rate shot up immediately upon start of this method. Many candidates gave a candid feedback that the HR interview is what attracted them towards the company. They felt a company that wanted to learn so deeply about them really cared for them and would use the provided information for their growth.
- The battery of tests used by Armed forces worldwide can be selectively squeezed into a 1 hr test and administered in a gamified format.
- The accuracy of personality prediction shot up and improved by over 40% once the tests were implemented and fine- tuned over a period of time.

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# **AN EMPIRICAL STUDY ON IMPACT OF EMOTIONAL AND SOCIAL INTELLIGENCE ON EMPLOYEES OF BANKING SECTOR**

Dr. Mansi Kukreja, Associate Professor, IBMR, IPS Academy  
[mansikuareja@ipsacademy.org](mailto:mansikuareja@ipsacademy.org)

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## **Introduction:**

This research paper aims at investigating the impact of emotional and social intelligence on employees of banking sector. The banking framework plays an important role in today's society. The bankers have to manage the public wisely with their social and emotional intelligence. To negotiate with complex social environment it requires proper interpersonal intelligence skills. Some bankers are very adept at observation and memorization and they basically connect their mentality with theories of others mind .Bankers basically require continuous opportunities for interpersonal experiences in order to develop keen inter personal psychology. The aim of present study is to focus on the framework for the concept of emotional and social intelligence in and its outcomes as one's ability to fulfill the objective of the banking organization. Emotional and social intelligence is the basis to frame human relation and social skills. Social intelligence as one of the new areas in psychology, in the recent decades, owing to its appealing and widespread aspects has attracted the attention of psychologists, and psychiatrists, as well as other experts in various fields such as organization and management. Social intelligence is a complete term that embraces an extensive variety of skills and special personality and typically refers to those interpersonal and intrapersonal skills that exceed definite areas of the preceding information such as intellect and technological or expert skills.

Social intelligence also shows the ability of the bankers to select an appropriate response for different type of customer and to mould their behavior accordingly Meanwhile, people who haven't developed their social intelligence skills cannot connect effectively.Those bankers who are socially intelligent provide a good banking environment with superior social problem-solving abilities,

Experienced leadership and positive interpersonal experience People who learn to enhance their own social intelligence abilities are more successful in developing the creativity and productivity. Elements of social intelligence serve to reduce stress of banking sector. Despite the advancement in technology, the banking sectors face certain challenges. These issues are mainly related with the poor performance. The policy for work is shifting. People are being judged by not just how elegant they are but also by how well they handle each other and themselves. The crucial assertion of social intelligence is that our each and every action is analytically controlled by emotions.

### **Literature review:**

The involvement of Salovey and Mayer (1990) is significant, as they suggested model for emotional intelligence by defining EI as a important part of the social intelligence, which deals with the ability of individual to manage his/her individual, and others' emotions and feelings. It helps them distinguish and manage their way of decision and actions. Mayer, Caruso and Salovey (1999) redefined the conception of EI as the aptitude of an individual to categorize access and fabricate emotions in order to smooth the progress of the judgments .Moreover ,EI helps understand and regulate feelings, emotions and emotional knowledge to promote the increase of emotion and intellectuality. Salovey and Mayer(1990) presented a model of EI with three mental processes. Sosik and Megerian, (1999), found that selected high on emotional intelligence best those who are low on emotional intelligence when deliberate by organizational performance data. In a study of Emotional intelligence in matrix organization in 2003 suggests that both employees and managers enhanced performance in matrix organization by applying the four components of emotional intelligence. Another study has also found that hiring individuals with higher levels of emotional intelligence as well training existing staff to be more emotionally intelligent has been associated with financial gains in the private sector. In the workplace, performance of employees and managers depend on working with group of people with different ideas, opinions and suggestions. Effective use of emotional intelligence gives better team harmony (Ashfort& Humphrey 1995). Bank managers need a lot of social intelligence, in that they are in situation to deal with the organization's customers and they continuously relate with other people and they motivate the employees for finest

performance. Managers with high emotional ability are able to know their customers' and employees' needs and endow them with positive response which will enhance organizational performance. Management of emotional intelligence by team members will help in developing interpersonal skills to work effectively in the organization, (Wall 2008) In organizations, social intelligence refers to intentionally using good people skills with an understanding that the effective use of those skills will have a positive impact on others - an impact which is biologically based and observable (Kolski Andreaco, 2010). Zaccaro and his colleagues (Zaccaro, 1999, 2001, 2002; Zaccaro, Foti, et al., 1991; Zaccaro, Gilbert, Thor, & Mumford, 1991) have argued that social appraisal skills, or social intelligence, reside at the heart of effective leadership (Zaccaro, et al. 2003). In general, social intelligence has a connotation closely related to notions such as social Skills and competence (Björkqvist, et al. 2000). Social intelligence may be regarded as an overall construct for understanding how successfully people manage social relationships (Friborg, et al. 2005). House and Aditya (1997) explain that leadership is rooted in a social context and social intelligence is a required trait for leaders. House et al. (1999) describe leadership as a social process that is "the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization" (Parolini, 2005). Dawda and Hart (2000) examined reliability and validity of a new measure of emotional intelligence, the Bar-On Emotional Quotient Inventory. Results indicated that the EQ-i domain and component scales had good item homogeneity and internal consistency as the scores were not unduly affected by response styles or biases. The reliability and validity results for men and women were very similar. Overall, the results suggested that the EQ-i is a promising measure of emotional intelligence. Rahim (2002) investigated the relationships of the five dimensions of emotional intelligence and suggested that self-awareness is positively associated with self-regulation, empathy, and social skills; self regulation is positively associated with empathy and social skills; empathy and social skills are positively associated with motivation; which in turn, is positively associated with problem solving strategy and negatively associated with bargaining strategy. Paul (2004) described emotional intelligence and its importance to the law school curriculum. The goals and preconceptions of the author in offer the class; and the organization, methodology and materials used in teaching the class. Further, it

discussed the students' reaction to the class and how the students scored on an emotional intelligence instrument. Finally, the article discusses what modifications the author would make to the course. Serge (2004) argue that modern research in Australia demonstrate that emotional Intelligence is not simply an embedded characteristic but can be educated. The continued appeal with emotional Intelligence (EI) goes beyond the fact that if we have only an average IQ we can at slightest claim that our EI is high. Today, not only can we measure EI we can enhance it as well. Nikaloau (2005) investigate the association of emotional intelligence (EI) characteristics, such as perception, control, use and understanding of emotion, with physical and psychological fitness. Parvathy (2006) described the fact that an individual, both in his career as well as in personal life, takes up different psychological roles. These roles are labeled as distinctive ego-states. Mayer (2008) concluded emotional intelligence (EI) involve the capability to carry out perfect reasoning about emotions and the talent to use emotions and emotional knowledge to improve thought. He discussed the beginning of the EI concept, define EI, and describe the scope of the field.

### **Objectives of the study**

To study the impact of social and emotional intelligence on the working of bank employees.

### **Hypotheses of the study:**

**Ho1** : There is no impact of verbal fluency on the working of bank employees.

**Ho2**: There is no impact of conversational skill on the working of bank employ

**Ho3** : There is no impact of social roles on the working of bank employees.

**Ho4** : There is no impact of appropriate listening skills on the working of bank employees.

**Ho5** : There is no impact of understanding public mind on the working of bank employees.

**Ho6** : There is no impact of management skills on the working of bank employees.

**Ho7** : There is no impact of facial expression on the working of bank employees

**Ho8** : There is no impact of mirroring on the working of bank employees.

**Ho9** : There is no impact of interpersonal problem solving skills on the working of bank employees.

## **The Research Problem**

The major problem which the employee in Indian banking sector face is how to implement social and emotional intelligence efficiently in management and improvement of the bank's performance which agitates the mind of the researchers, hence the need for this study to focus on the relationship between social and emotional intelligence and its impact on working of banks employees. The main purpose of the study was to examine the relationship between workplace social and emotional intelligence with reference to working of Indian Banks. The key factors of social intelligence on which the study revolves are as follows..

## **Database and methodology**

This research work focus on the employee's of banking sector and alertness regarding the perception of emotional and social intelligence, their perception towards the same and the factors affecting their emotional and social intelligence. The survey was done through a self designed questionnaire having close-ended, linker scale based questions. The earlier studies were reviewed in order to identify various dimensions of emotional and social intelligence and its impact. Then on the basis of identified magnitude, various factors were recognized, on the basis of which final questionnaire was prepared. The questionnaire was filled by 100 employees consisting of banking sector which were taken on the basis judgment sampling.

## **Statistical Tools & Techniques**

The present study had been analyzed by using statistical tool chi-square test on various element of emotional and social intelligence such as verbal fluency, conversational skills, social roles, appropriate listening skills, understanding public mind, management skills, facial expression .The results and analysis had been shown with the help of figures and tables. For analyzing the questionnaire, various tabulation has been used.

**Ho1 :** There is no significant impact of verbal fluency on the working of bank employees.

	value	observed frequency	expected frequency	O-E	(O-E) <sup>2</sup>	$\Sigma[(O-E)^2/E]$
no affect	1	5	20	-15	225	11.25
minor affect	2	10	20	-10	100	5
neutral affect	3	15	20	-5	25	1.25
moderate affect	4	25	20	5	25	1.25
major affect	5	45	20	25	625	31.25
						50

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 50. So, hypothesis is rejected i.e. there is an impact of verbal fluency on the working of bank employees.

**H<sub>o2</sub>:** There is no significant impact of conversational skill on the working of employees.

	value	observed frequency	expected frequency	O-E	(O-E) <sup>2</sup>	$\Sigma[(O-E)^2/E]$
no affect	1	7	20	-13	169	8.45
minor affect	2	9	20	-11	121	6.05
neutral affect	3	4	20	-16	256	12.8
moderate affect	4	30	20	10	100	5
major affect	5	50	20	30	900	45
						77.3

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 77.3. So, hypothesis is rejected i.e. there is an impact of conversational skill on the working of bank employees.

**H<sub>o3</sub>:** There is no impact of social roles on the working of bank employees

	value	observed frequency	expected frequency	O-E	$(O-E)^2$	$\Sigma[(O-E)^2/E]$
no affect	1	15	20	-5	25	1.25
minor affect	2	10	20	-10	100	5
neutral affect	3	15	20	-5	25	1.25
moderate affect	4	25	20	5	25	1.25
major affect	5	35	20	15	225	11.25
						20

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 20. So, hypothesis is rejected i.e. there is an impact of social roles on the working of bank employees.

**Ho4 :** There is no significant impact of appropriate listening skills on the working of bank employees.

	value	observed frequency	expected frequency	O-E	$(O-E)^2$	$\Sigma[(O-E)^2/E]$
no affect	1	0	20	-20	400	20
minor affect	2	2	20	-18	324	16.2
neutral affect	3	18	20	-2	4	0.2
moderate affect	4	30	20	10	100	5
major affect	5	50	20	30	900	45
						86.4

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 86.4. So, hypothesis is rejected i.e. there is an impact of appropriate listening skills on the working of bank employees.

**Ho5 :** There is no impact of understanding public mind on the working of bank employees.

	value	observed frequency	expected frequency	O-E	$(O-E)^2$	$\Sigma[(O-E)^2/E]$
no affect	1	2	20	-18	324	16.2
minor affect	2	8	20	-12	144	7.2
neutral affect	3	15	20	-5	25	1.25
moderate affect	4	32	20	12	144	7.2
major affect	5	43	20	23	529	26.45
						58.3

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 58.3 .So, hypothesis is rejected i.e. there is a impact of understanding public mind on the working of bank employees.

**Ho6 :**There is no significant impact of management skills on the working of bank employee

	value	observed frequency	expected frequency	O-E	$(O-E)^2$	$\Sigma[(O-E)^2/E]$
no affect	1	3	20	-17	289	14.45
minor affect	2	10	20	-10	100	5
neutral affect	3	17	20	-3	9	0.45
moderate affect	4	20	20	0	0	0
major affect	5	50	20	30	900	45
						64.9

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 64.9 .So, hypothesis is rejected i.e. there is a impact of management skills on the working of bank employees.

**Ho7:** There is no impact of facial expression on the working of bank employees

	value	observed frequency	expected frequency	O-E	(O-E) <sup>2</sup>	$\Sigma[(O-E)^2/E]$
no affect	1	20	20	0	0	0
minor affect	2	25	20	5	25	1.25
neutral affect	3	21	20	1	1	0.05
moderate affect	4	10	20	-10	100	5
major affect	5	14	20	-6	36	1.8
						8.1

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is more than calculated value 8.1 .So; hypothesis is accepted i.e. there is no impact of facial expression on the working of bank employees.

**Ho8 :** There is no significant impact of mirroring on the working of bank employees.

	value	observed frequency	expected frequency	O-E	(O-E) <sup>2</sup>	$\Sigma[(O-E)^2/E]$
no affect	1	12	20	-8	64	3.2
minor affect	2	18	20	-2	4	0.2
neutral affect	3	20	20	0	0	0
moderate affect	4	22	20	2	4	0.2
major affect	5	28	20	8	64	3.2
						6.8

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is more than calculated value 6.8 .So; hypothesis is accepted i.e. there is no impact of mirroring on the working of bank employee.

**Ho9 :** There is no impact of interpersonal problem solving skills on the working of bank employees

	value	observed frequency	expected frequency	O-E	(O-E) <sup>2</sup>	$\Sigma[(O-E)^2/E]$
no affect	1	0	20	-20	400	20
minor affect	2	15	20	-5	25	1.25

neutral affect	3	23	20	3	9	0.45
moderate affect	4	27	20	7	49	2.45
major affect	5	35	20	15	225	11.25
						35.4

**Interpretation:** Table value at 5% level of significance with 4 degree of freedom is 9.488 which is less than calculated value 35.4. So ,hypothesis is rejected i.e. there is a impact of interpersonal problem solving skills on the working of bank employees.

### **Conclusion:**

The Verbal Fluency can easily spot customer with lots of Social and emotional intelligence in banking sector .The highly socially intelligent person can carry on conversations with a wide variety of bank customers , and is diplomatic and suitable for things to be communicated. It also collectively represents social self-expression skills. The socially intelligent Bank employees learn how to play various social roles. They are also well versed in the informal rules, or “norms,” that administrate social dealings. In other words, they “know how to play the game” of social dealings. As a result, they come off as socially refined and wise. The socially and emotionally intelligent bank employees are great listeners. As a result, others come away from dealings with Social and emotional intelligence person feeling as if they had a good involvement with them. In order to interpret what the other person opinion or intellect. Understanding emotions is part of Emotional Intelligence, and Social Intelligence and Emotional Intelligence are interrelated – people who are particularly capable are high on both. The socially intelligent bank employees know how to occupy in special social roles – allowing him or her to feel relaxed with all types of people. As a result, the SI individual feels socially self-confident and effective – what psychologists call social self-efficacy .bank employees with SI are concerned with the intuition they are making on others. They hold that what will be the dangerous Impression on bank Management,” which is a weak balance between managing and controlling the image you expose to others and being realistically genuine and let

others see the true self. This is perhaps the most composite component of social intelligence. Socially intelligent persons learn how to play various social roles.

They are also known with the informal regulations, or “norm,” that governs social dealings. In other words, they know how to play in competitive social dealings of Banking environment. As a result, they come off as socially complicated and wise. Social and emotional intelligence enhance the ability to establish association with others, intrapersonal awareness, capability to review about others way of thinking, temperaments and incentive, efficient social performance also provide ability to identify, and being experienced to decode nonverbal signs.

When generally we talk about mirroring and facial expression the fact that come across is that mirroring and facial expression are not required to manage the thing and people around well.

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# **ANALYZING GOLD RETURNS: INDIAN PERSPECTIVE**

Abha Moradia<sup>1</sup>

Ph.D. Student,

G. H. Patel Institute of Business Management,  
MBA Department,  
Sardar Patel University

Dr. Ashish C. Mehta<sup>2</sup>

Associate Professor,

G. H. Patel Institute of Business Management,  
MBA Department,  
Sardar Patel University

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## **Abstract**

**I**nvestors are forever in need of an asset that adds value to the portfolio. Therefore, along with fixed income investments, stocks, gold and other assets are inevitable parts of a balanced portfolio. For Indian investors, gold is not only an investment asset but a commodity with a major importance in the social customs that makes it all the more interesting to study. As an investment asset, it is considered a diversifier asset and a hedging asset. Not only that, it is called a ‘safe-haven’ asset for times of economic distress, meaning that it retains its value when the stock market is giving low or negative returns.

In this paper, we analyze the risk-return parameters of both the gold and Sensex for a period from 1992 to 2017 and find out how they perform along with each other. We also do detailed subperiod analysis in terms of Pearson’s correlation coefficient and see how it changes in pre-recession and post-recession period. We analyze whether gold is a diversifier asset, a hedge or a safe haven or all three for Indian investors. It is interesting to note how the exchange rate variability has a great impact on gold’s rate of return.

**Keywords:** gold, stock market, risk-return parameters, correlation coefficient, hedge, safe-haven asset

## **Introduction:**

Since its discovery, gold has been treasured as jewelry because of its versatility and radiance. Besides jewelry, due to its highly liquid nature, gold has been considered a form of money from early civilizations till the end of the gold standard. O'Callaghan (1993) notes "since 1971, a global market for gold as an asset in its own right has developed." Post the collapse of Bretton Woods system, gold has renounced its role as a currency but it is still considered a valuable commodity for investment. As a commodity it is used as a reserve asset, an investment, jewelry and for industrial purposes. O'Callaghan (1993) further notes "gold retains its importance as an official reserve asset with some 40 percent of the world's monetary reserves in gold." Because the gold production is low compared to its demand, overall the prices have more than doubled in the last half century. Post the economic recession of 2009, gold prices have been on a rise to reach its lifetime highs. Therefore, this paper attempts to analyze whether it is still a good investment asset and how does it perform when compared to the Indian stock market.

## **Literature Review:**

Gold is sometimes called a safe haven, a hedging asset and a good diversifier asset. However, these have different connotations. Diversifier means the asset which is able to reduce the overall risk of the portfolio and provide better returns. In short, it helps create an optimal portfolio. Gold as a commodity and investment asset is considered as a diversifier asset for an equity portfolio. A hedging asset means an asset which hedges the risk of inflation and provides positive real returns. A safe haven asset means an asset does not lose its value or even increases its value during turbulent market conditions. So in this case, gold has to retain or increase its value during extreme volatile market conditions.

The early studies on the gold prices, the stock market and other economic variables are notable. The literature on the study of gold prices can be categorized as follows:

### **1) Diversification Properties of Gold:**

Jaffe (1989) studied whether gold stocks and gold mutual fund can be used as proxy investment for gold in the portfolio. He concluded that they can be used to reduce the

overall portfolio risk in the long term as they have insignificant correlations with stock market indices. Chua, Sick and Woodward (1990) analyze that gold bullion is able to diversify the stock portfolio risk in both short and long term. Conover, Jensen, Johnson and Mercer (2009) found out that indirect investment in precious metals provides higher benefits than the investment in gold bullion. Sherman (1986); Hillier, Draper and Faff (2006); Gilmore, Macmanus, Sharma and Tezel (2009) and Baur and Lucey (2010) also found positive diversification benefits of adding precious metals and/or metal proxies to a portfolio for developed economies. Anand and Madhogaria (2012); Baig, Shahbaz, Imran, Jabbar, and Ain, (2013); Panda and Sethi (2016) analyzed gold returns for developing economies and found similar results.

Contrary to the aforementioned studies, some researchers have found that gold does not have significant diversification benefits or even if it does have any diversification benefits it does not last over the long-run. Among them Johnson and Soenen (1997); Demidova-Menzel and Heidorn (2007); Mishra, Das and Mishra (2010); Bhunia and Mukhti (2013) and Bashiri (2011) are notable.

## 2) Safe Haven Properties of Gold:

Baur and McDermott (2010) conduct a detailed analysis on whether the gold acts a hedge and safe haven in developed and developing countries. For developing countries, they find that gold retains the safe haven property for a short time. However, same cannot be concluded for the developing economies. Hillier et al (2006) also found the hedging effectiveness of gold during the periods of ‘abnormal’ stock market volatility. Baur and Lucey (2010) studied gold prices in the US, UK and Germany and analyzed gold is a safe haven for stocks but its safe haven property is very short-lived. Beckmann, Berger, and Czudaj (2015) and Jaiswal and Voronina (2012) also conclude that gold serves as a hedge and a safe haven for most economies.

However, Conover et al (2009) take a different stance with their results stating that the returns on investing in the precious metals are higher during the tightening of monetary policy than during the expansive monetary policy.

### **3) Inflation Hedging Properties of Gold:**

Ghosh, Levin, Macmillan and Wright (2004) studied whether the gold returns hedge inflation or not over the period from 1976-1999. They analyze the gold price movements and state that in the long-run gold can be considered an inflation hedge asset. However, the short-run gold price movements do not reflect the same hedging capability and they are influenced by other market influences. McCown and Zimmerman (2006) confirms that gold is a zero beta asset and its returns are higher than Treasury Bills. They further conclude that gold has a much stronger inflation hedging property than silver. Gold appears to have positive real returns in the long run as suggested by these researchers as well: Jastram (1977); Kanojia and Jain (2014); Panda and Sethi (2016).

### **4) Impact of Exchange Rate on Gold Returns**

Mani and Vuyyuri (2003) state that exchange rate of USD has a positive impact on gold prices in India. Panda and Sethi (2016) also analyze the impact of exchange rate on the gold price and suggest that the higher returns shown in the Rupee values of gold prices is because of the depreciation of the Rupee. Nair, Choudhary and Purohit (2015) analyze that there is causal bidirectional relationship between the exchange rate of USD and gold prices in India pre-recession. However, that is impacted due to recession and the causality is changed to unidirectional post 2009.

This paper focuses on analyzing whether gold is a diversifier asset, a hedge for inflation, or a safe haven for times of economic distress for Indian investors all or a combination of all three.

#### **• Research Objectives:**

1. To analyze the risks and returns associated with investment in gold versus investment in stock market
2. To analyze whether gold diversifies the risk of stock portfolios
3. To analyze if gold hedges inflation in the long term
4. To evaluate the exchange rate's impact on the gold's rate of return
5. To assess if gold acts as a safe haven for extremely volatile market conditions

- **Data and Methodology:**

We use monthly data for a period of twenty-six years from January 1992 to December 2017 for the research. Gold prices in Rupees and US Dollars are retrieved from the World Gold Council's database; data on Sensex is retrieved from the website of Bombay Stock Exchange and the inflation data is retrieved from the Wholesale Price Index in India published by Reserve Bank of India. The reference exchange rate between Rupee and US Dollar is retrieved from the RBI database.

The statistical analysis and graphs are done using Microsoft Excel and statistical package – SPSS. The whole period is divided into sub-periods for a detailed analysis. Descriptive analysis and Karl Pearson's correlation coefficient analysis are carried out to test the following hypotheses:

$$H_0: \rho(\text{returns}) = 0$$

$$H_1: \rho(\text{returns}) \neq 0$$

Following formula is used to calculate the Karl Pearson's correlation coefficient:

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

Where,

N = number of pairs of scores,

$\sum xy$  = sum of the products of paired scores

$\sum x$  = sum of x scores

$\sum y$  = sum of y scores

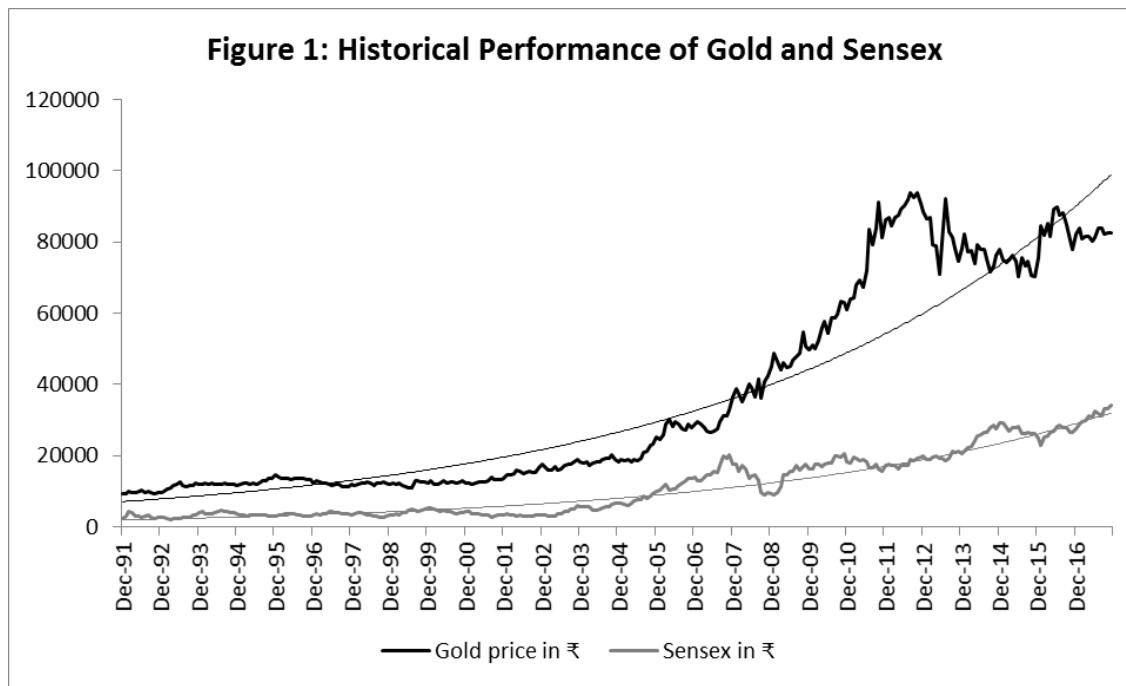
$\sum x^2$  = sum of squared x scores

$\sum y^2$  = sum of squared y scores

The significance of this correlation coefficient is tested at 95 percent confidence level.

- **Analysis and Findings:**

The gold price and Sensex have multiplied over the years as seen in the Figure1. The stock market was in nascent stages in the 1990s and it picked up the pace post 2005. In the year 2008, when the economic recession hit the world, Sensex reacted negatively and showed a downward trend. However, gold prices increased even further from that same time which could be due to the spillover effects of the world stock indices and the reduced faith in the US Dollar during the recession in the US. This confirms what other researchers have found that gold prices increase in times of economic volatility and distress whereas the stock prices decrease. We also created exponential trend lines for the both variables to see how they continuously increase over the period.



Let us see the Figure 2 from the year 2007 to 2009 for impact of economic recession on gold and stock market to further test our assumption. As expected, the linear trend line for both the assets shows a cone shape which is wide on the right and narrow on the left. These trend lines show that the gold price and Sensex follow opposite trend in times of economic distress. This means that gold acts as a safe-haven in times of economic distress. However, for taking the benefit of the safe-haven property of gold one must have invested before the economic distress or the increased prices won't give higher returns.

**Figure 2: Gold Price and Sensex during Economic Recession**

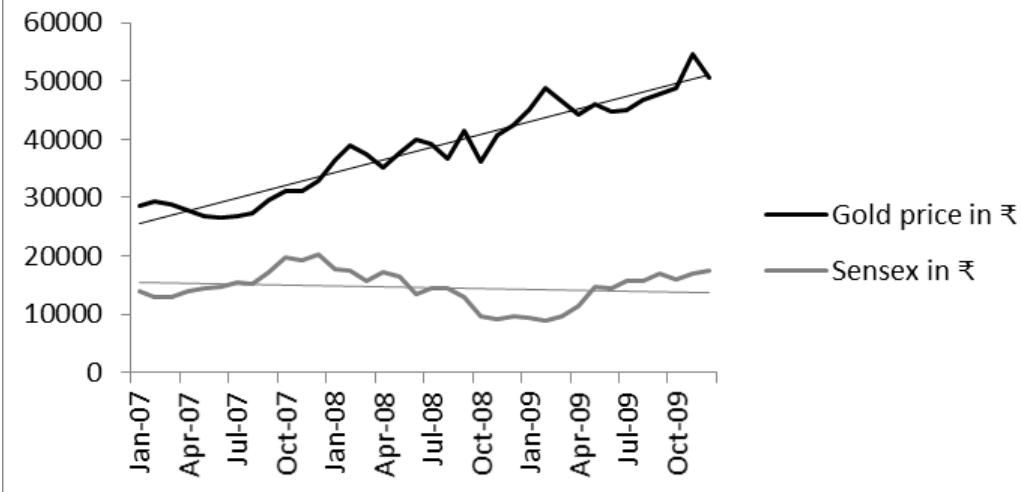
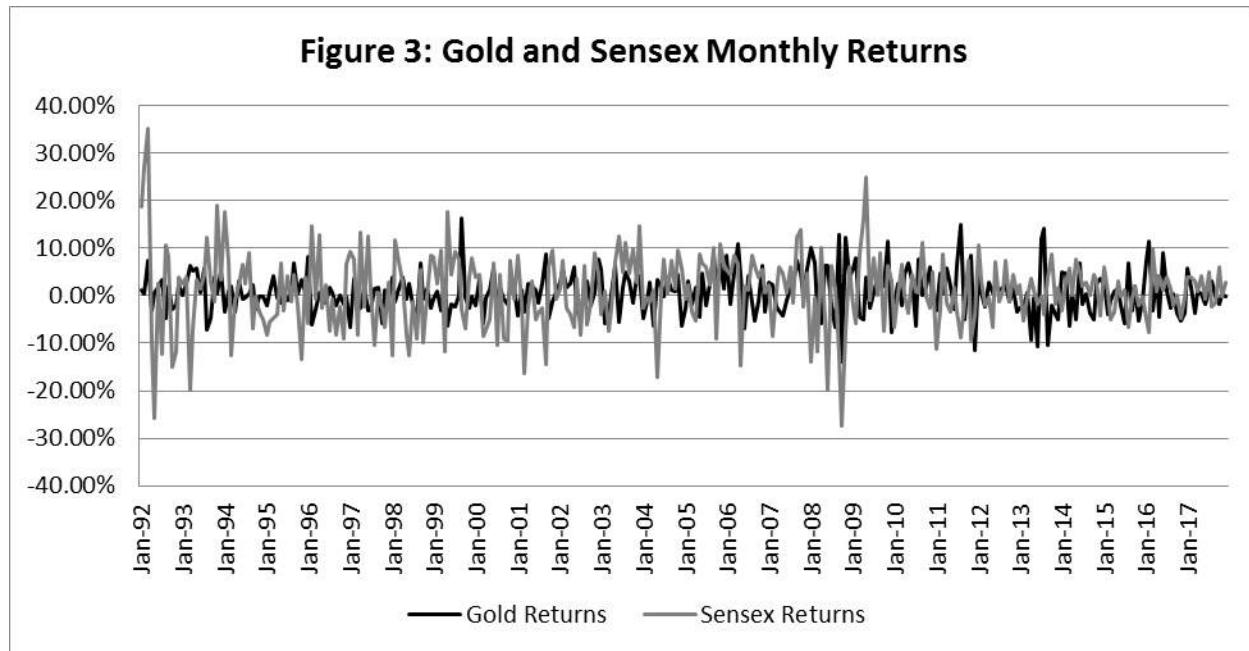


Figure 3 represents the monthly returns from both the variables for the total period. Sensex returns are much more volatile than the gold returns. If we study how the asset returns perform during the year 2007 to 2009 (graph is not included due to shortage of space), it does not confirm our assumption that gold returns and stock market returns move in opposite direction: concurrent or lagged. Therefore, we conclude that the data is not enough to prove the safe-haven property of gold in India.

**Figure 3: Gold and Sensex Monthly Returns**



The descriptive analysis for gold and Sensex is given in Table 1. The overall monthly gold returns are 0.71 percent which if we calculate separately for the pre-recession period, recession and post-recession period more than doubles in the recession years. However, the volatility also nearly doubles for the same period. That volatility could be due to the rush for gold as it was providing higher returns than other assets during the economic distress.

Investors turn to gold in search of stability when stock market is losing its potential. Sensex returns are better than gold for the pre-recession period but they turn negative during recession and are slightly better than gold in the post-recession period. The stock market volatility doesn't increase in the post-recession period, but instead it decreases, which could be possibly due to the cautious investor sentiment in the stock market.

<b>Table 1: Monthly Return Statistics of Gold and Sensex</b>								
	Entire Period 1992-2017		Subperiod A (1992-2007)		Subperiod B (2008-2009)		Subperiod C (2010-2017)	
	Gold	Sensex	Gold	Sensex	Gold	Sensex	Gold	Sensex
Mean	0.71%	0.92%	0.67%	1.23%	1.80%	-0.62%	0.51%	0.70%
Standard deviation	4.51%	7.72%	3.80%	8.42%	7.05%	11.64%	5.03%	4.44%
Variance	0.002	0.006	0.001	0.007	0.005	0.014	0.003	0.002
Annualized Rate of Return	8.48%	11.08%	8.04%	14.77%	21.59%	-7.49%	6.09%	8.35%
Annualized Standard Deviation	15.61%	26.75%	13.17%	29.17%	24.41%	40.31%	17.41%	15.37%
Annualized variance	0.024	0.072	0.017	0.085	0.060	0.162	0.030	0.024

Following Table 2 shows the correlation between gold and Sensex returns for the entire

period under study. The Pearson coefficient for the entire period is -.074 which is not significantly different than zero. Also, at 95 percent confidence level the correlation between both the variables is statistically insignificant. Therefore the null hypothesis is not rejected since the data does not have enough evidence to prove the relationship between the gold and stock returns. However, it is interesting to see that the correlation coefficient is higher in the post-recession periods than other periods. We even did a lagged correlation analysis between the returns but it provides similar results.

Current literature on the correlation analysis between the gold and stock market is available but only for the absolute prices of both assets. We think that the statistical properties of asset prices are non-stationary, they have log-normal distribution and time-varying volatility, and therefore they are not suitable for providing the actual correlation coefficients.

Correlation coefficients in the Table 2 provide one important insight into how returns are related. The correlation coefficients for all periods are negative but only subperiod C is statistically significant at 5 percent significance level. We do not reject the null hypothesis  $H_0: \rho(\text{returns}) = 0$  for all periods except subperiod C. We reject the null hypothesis for the subperiod C and accept the alternate hypothesis  $H_1: \rho(\text{returns}) \neq 0$ . Even if the relationship is not statistically significant between gold and stock market for all periods except for subperiod C, it does suggest that there are some benefits to including gold in the stock portfolio and it is able to diversify the risk while providing better returns.

<b>Table 2: Summary Table for Correlations between Gold and Sensex Returns</b>				
	Entire Period 1992-2017	Subperiod A 1992-2007	Subperiod B 2008-09	Subperiod C 2010-2017
Pearson Correlation	-.074	-.023	-.096	-.208*
Sig. (2-tailed)	.193	.749	.657	.042
N	312	192	24	96

\* Correlation is significant at the 0.05 level (2-tailed).

Figure 4 represents the 12 month rollover correlation for the entire period under study. It is interesting to observe that the correlation does not stay stable or even in one direction either

positive or negative. Since, gold and stocks both economic variables and as such they get influenced by the market movements, economic cycles, growth rates, investor preferences, etc. The correlation coefficient is negative more often than it is positive. Especially during the years from 2008 to 2012, more negative coefficient values seem to be the case as per the graph. This could be used to further study the relationship between both the asset returns.

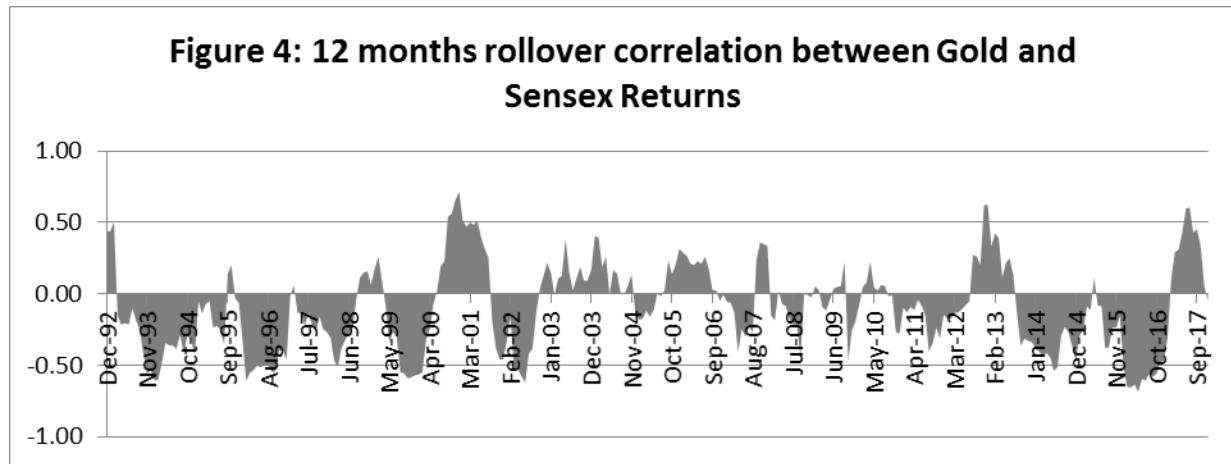


Table 3 gives an overall picture as to what is the change in inflation rate, gold and Sensex for the period from January 2000 to December 2017. The mean monthly change in Wholesale Price Index is .39 percent which is a lot less than change in gold and Sensex. The average annualized rate of WPI Inflation is less than 5% which confirms that gold and Sensex both provide higher return than inflation to Indian investors in the long-term.

**Table 3: Monthly Statistics for WPI Inflation Rate, Gold and Sensex (2000-2017)**

	WPI	Gold	Sensex
Mean	0.39%	0.71%	0.92%
Annualized Rate	4.69%	8.48%	11.08%

We already discussed how the gold has performed as an investment asset over the years in Rupee values. However, since most of gold is imported from other countries, it makes it

interesting to see how the exchange rate affects the rupee returns of gold. Figure 5 shows how the Rupee US Dollar exchange rate is changed over the years.

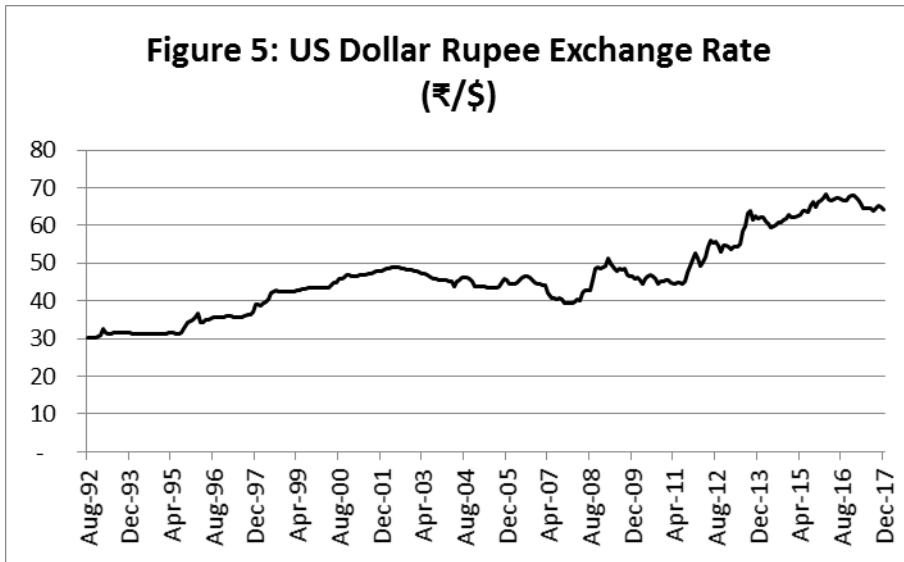


Table 4 shows the performance of Rupees versus the USD and the gold returns in Rupees and USD as follows:

Table 4: Exchange Rate & Gold Returns - September 1992 to December 2017			
	₹/\$ Exchange Rate	Gold Returns	\$ Gold Returns
Mean Monthly Rate of Change	0.25%	0.70%	0.44%
Annualized rate of Change	2.99%	8.45%	5.27%

The Rupee has devalued about 3% annually on average since 1992. The gold returns in USD are 5.27% on an average for the period of study. This confirms the assumption that Rupee-USD exchange rate is a major factor in the high gold returns in Rupee terms.

### Conclusion:

The correlation analysis suggests that there is negative correlation between gold returns and stock returns however, it is statistically significant only for a short duration in the entire study. The analysis suggests that gold is less volatile and risky than the stock market and

provides good returns so it could be used as a diversifier asset for an equity portfolio. Gold usually provides higher returns than the inflation and so does the stock market. Gold provides better returns than the stock market in times of economic distress so we can safely say that gold is a ‘safe-haven’ asset. Therefore we conclude that gold is an important diversification asset, an inflation hedge and a safe-haven asset for Indian investors.

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# FORCED RANKING SYSTEM - A CASE ANALYSIS

**Shambhavi Pandey**  
co-founder Healted Technologies Pvt Ltd  
UGC JRF Scholar

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**B**ackground: There have been umpteen debates on the efficacy and merit of the forced ranking system in the past decade. From 2000 till the end of 2015 we saw a surge of companies doing away with this very popular method of performance appraisal first used by Jack Welch in GE. Some of the prominent names in this genre were: American Express, Microsoft, Adobe, Wipro, Infosys, Accenture, GE, Tech Mahindra and Cisco. First and foremost it's important to understand the rationale and process of the standard bell curve or the forced ranking system of performance management before jumping onto any conclusions.

Forced ranking system came as a solution to performance appraisal problems such as

- Rater bias wherein there is typically a variation in ratings given by two raters for the same set of performance goals (personal bias)
- Central tendency bias which means that most managers have a tendency to rate their employees as average – neither too high nor too low,
- Leniency/ strictness in ratings wherein some appraisers either rate their employees too high (leniency) or too low (strictness) due to varied styles or parameters of goal achievement.

Thus, this system paved the way for greater differentiation, elimination of personal bias (to some extent, though it is still debatable and there are thinkers who are not in agreement with this) thereby promoting a culture of meritocracy. The Forced Ranking System forces

managers to rate employees in such a way that they fit in the standard bell curve distribution of 10 – 70 – 20, wherein 10 constitutes the bottom 10% of the employees or the poor performers, 70% constitutes the middle average and 20 constitutes the top 20% of the star performers. Forced ranking (FR) is a performance intervention, which can be defined as an evaluation method of forced distribution, where managers are required to distribute ratings for those being evaluated, into a pre-specified performance distribution ranking (Cooper & Argyris, 1998). Each manager is expected to plot his team members on the standard bell curve at the end of the year and the bottom 10% of the aggregate, after due diligence and rationalization, at the company level are then asked to leave. This makes the company lean and promotes a culture of meritocracy. Those who perform stay and those who do not meet targets/expectations are asked to quit. Every year the organization loses the bottom 10% of its employees, thereby making space for fresh talent to join the organization and encouraging the average to come in the top 20% percent bracket.

However, as cited by some scholars, this system suffered from some de merits like:

- It made the organization fiercely competitive in the long run
- It hampered the growth culture of the organization by asking the bottom 10 percent of the performers to quit.
- It made the performance appraisals a scary process and did not foster developmental dialogue between managers and team members.
- It hampered team work by labeling people as top, average and bottom performers. Everyone wanted to be in top bracket and was becoming increasingly individualistic.

- On the basis of just one year's performance labeling an employee as a poor performer sometimes lead to otherwise star employees being pushed in the back seat. Also, labeling a star performer as an average just to fill a particular quota hampered the motivation at an organizational level in a big way.

Given, the above pros and cons let's take a step backward and understand the objectives of performance appraisals. "It is the evaluation or appraisal of the relative worth to the company of a man's services on his jobs." —A1 ford & Beatty. "Performance appraisal is a process of evaluating an employee's performance of a job in terms of its requirements." — Scot, Clotheir & Spriegel. Thus, performance appraisal is more individual than group, focused on individual's development and growth rather than being punitive or competitive. But in the current scenario wherein we have 360 degree feedbacks, Behaviourally Anchored Rating Scales, Critical Incident Trackers, Mid-Year Reviews, assessment centers, psychological appraisal and other efficient means to keep the process of performance appraisals fair and transparent, the year-end appraisal process involving only one type of rigid appraisal sounds illogical and shaky. Same holds true for the forced ranking system. In its entirety it may be a good mechanism if used in combination with other techniques of employee appraisal. Having said this, any system of performance appraisal might not be an adequate fit for an organization in today's dynamic business and economic scenario until and unless it is tailored according to the organization's vision, mission and values. People development would consequently follow the same trajectory and be guided by the appraisal process. To fortify the above points of discussion below is a case study of an organization which used a combination technique of performance management and tweaked the bell curve to nullify its adverse effects for its employees.

Introduction: This case study examines the impact the standard (10-70-20) bell curve had on a developing organization. One size fits all approach of this system of forced ranking did not take into account differential achievements of differently performing business units of the organization. If a business unit performed exceedingly well and achieved all its objectives then the probability of it having more number of top talents was greater than that of a business unit which did not perform as well. An average performer of the unit which performed well was better than the top performer of a unit that did not perform well. Also, a top talent in an under-performing unit may be comparable to an average performer of a business unit that out-performs. In this case it is seen that while on one hand the bell curve did serve the purpose of eliminating the central tendency bias, inter-rater bias (leniency and strictness), identifying and rewarding the top brass of the organization in the first year of its implementation; The tweaking of it to offer more flexibility in evaluation also helped in avoiding unnecessary attrition at unit level.

### **Learning Objectives:**

- To debate the pros and cons of using a bell curve as a system of performance assessment.
- To analyze whether the new approach of a tweaked Bell Curve in this case would be able to overcome the shortcomings of the traditional approach.

### **Case Analysis:**

Star Consulting Services [name changed] is a fast paced developing organization in the consulting space with robust talent identification, assessment and development teams working furiously round the clock to make it a sought after employer brand. Star Consulting has various departments which like any other organization work in tandem to

bring success to the organization. Since the past 2 years the organization as a whole has been over achieving its targets and revenue earned has been 40-50% more than the projections.

Sridhar [name changed], (Head of the Human resource Department) in consultation with the Managing Director and CEO of the company had announced the forced ranking (Bell Curve Plotting) method of performance assessment in December 2012, 4 months ahead of the end the performance cycle. “Since 2013 this company will be practicing the Bell Curve to identify its top talent at an organizational level across all Business Units” said Sridhar to his HR Colleagues in a team meeting. Sridhar came with an overall experience of 22 years in all facets of Human Resources from Employer Branding, Talent Development, HR Strategy, Compensation and Benefits in established Global IT and Consulting Organizations. He had experience working in some of the leading organizations in the consulting space and understood the business and the market very well. He wanted to build a culture of meritocracy and differentiation at Star.

After a lot of discussions and simulation exercises with the past data Sridhar got the buy in of all the stakeholders for implementing this new system in the organization. “I want to identify the top 20% of my talent at an organizational level who contribute to 80% of my revenues” was Sridhar’s concluding remark to which all business leaders nodded in agreement. Star had a Bi-Annual performance assessment system and at both instances Sridhar wanted his talent to be mapped on the 10-70-20 Bell Curve for 2017. Where the bottom 10% constituted of the poor performers - not required in the company any more, the 70% of the population would constitute the average performers and the rest 20% would be the top performers or the high potentials of Star Consulting. Through this exercise Sridhar

wanted to concentrate his talent development efforts on the top 20% of the company. This at the outset did not go down well with John D'Silva [Name Changed], Head Talent management and HR Analytics. He was especially concerned with the sweeping effect this strategy might have on those who could be borderline cases between ‘poor and average performers’ and ‘average and good performers’. The ROI (Returns on Investment) Projections done by John told a very convincing story to the HR Team and the Business Leaders. However, deep down John had an uncomfortable feeling of losing trust and credibility among employees.

John being a close friend of Sridhar talked his fears out over coffee after office.

John: “Sridhar, for the first time in my life I am in a dilemma between what the numbers show and what my heart says.”

Sridhar: “I know what your fears are. You have an experience of 18 years in this game and the numbers that you have generated are all indicative of organizational growth by investing lesser money and getting maximum returns. We are not a charitable organization. I want to develop and nurture those who bring me maximum returns. Isn’t that what we all want to achieve?”

John: “I know, going by the projections, we would reduce our Training and Development expenses by about 40% annually. I am just worried about losing talent which might not have been assessed fairly and which might lose the motivation to perform after being labeled as an average or a poor performer”

Sridhar: “With every good there is some bad. We can’t please everyone. John I suggest you have a good night’s sleep and be assured that you are here for the good of the company.”

There was an uneasy silence between Sridhar and John before they wound up for the day. John didn't seem fully convinced but gulped down his fears and pledged to forefront this initiative. The next few days were a series of presentations and open houses for the employees to know how their future would be shaped in the organization. Everything sounded 'competitive' and 'meritocratic'.

27<sup>th</sup> June 2017 was when the first Bell Curve for Star was plotted. (refer appendix A). This gave everyone some confidence in Sridhar's methodology except John who in fact was the man on stage for Star employees. At the end of the meeting John had the following observations:

- There is a list of employees who I know personally since the past 8 years who don't deserve to be plotted in the average or the poor part of the curve.
- There are some who have been plotted in the top 20% but are comparable to the 70% performers in respect to their ratings and achievements.
- There are still others who are in the poor performer bracket but are equivalent to the average performers. This is mainly because of the difference in the performance of individual business units.

"This system has some anomalies Sridhar. I am again wary that we might not achieve what we have set foot for." - said John as his closing remark. In the tight walls of Sridhar's cabin, there was no other voice except that of John who had pent up emotions and fear of failure written all over his face. Sridhar had strong conviction in this system and had seen it work for many other organizations he had worked in. "I am certain that these anomalies would go by year end. There would also be the normalization process followed by the HR Reviews. Don't feel scared. I am with you. Trust me."

Then came the year end appraisal process which had to be completed and uploaded on Star Consulting's HRMS latest by 15<sup>th</sup> Jan'2018. By this time the employees of Star had mixed feelings about the system.

"This should've come much before. Thank god now the management would recognize and develop the company's true potential."

"This strategy is going to make the company too competitive. People have stopped helping each other. The bond and association of working together to achieve team objectives no longer exists. Each wants to outshine the other."

"Poor performers have no place in the organization. They are being asked to leave. This is unethical and against the company's values. This culture will only create divide."

"Is one year enough to ask someone to leave? What about past performance?"

"I can see that only those people are being recognized who have gained considerable visibility. People are working towards being in the spot light rather than achieving more than the target which has been a tradition in this company."

The year end appraisal graphs did consolidate the top 20% of the company's performers as required and this brought a sense of achievement in Sridhar and John. But the building beliefs of insecurity and lack of accountability among managers when it came to having one-on-one discussions with their pupil worried them.

Sridhar realized that there were units which outperformed and those which were under performing. Pitting all on the same curve wasn't justified. So he came up with another version of a tweaked curve. Here the average performing units i.e. those which achieved all their goals were to follow the standard bell curve while those which over-achieved could have the curve bulging on the right with more no. of people falling in the High Potential

Bracket and lesser in the average and even none in the poor (as the case maybe. Refer Appendix B). Similarly, those units which did not achieve their goals could have lesser outstanding performers or more average performers as the case maybe. (Refer Appendix B) Moreover, he also devised continuous monitoring mechanisms in the form of critical incident trackers (Refer Appendix C) for managers to keep track of their employee's performance on a regular basis. This way he aimed to distinguish between a hi-performer and a high potential and someone who was both!

With this tweaking Sridhar was able to allay John's anxieties and paved the way forward for the next 5 years for the company's Learning and Development, Reward and Recognition and Compensation strategy.

**Conclusion:** Every performance measure comes with its own sets of pros and cons which need to be balanced according to the need of the organization, its stage of maturity, the kind of services/products it offers, its people, customers, culture and most importantly the vision of the founders and executing partners. Performance itself is a relative phenomenon and driving it by a purely socialist approach doesn't fit too rationally with the current business environment. Maximizing performance would in-turn drive business. Intrinsic motivation is a mediating variable for superior performance as cited by renowned scholars (Judge & Ferris 1993, Boswell & Boudreau 2002). Motivation is believed to be an output of feedback which in turn affects performance. Thus, feedback is what starts the cycle of motivation – performance – output. Feedback is in layman's terms appraisal output. Therefore, performance appraisal cannot only be socialist without having a measured output (which is the end variable of the loop). Differentiation needs to be built in the

organization fabric in such a way that it maximizes productivity without hampering teamwork or threatening employee existence.

Using a combination of techniques for performance appraisal thus, eliminates all kinds of biases and also brings in greater transparency and objectivity. For eg: Rater bias is the tendency of the appraisers to give lenient or inflated ratings. Consequently, this bias leads to a lack of differentiation between high and low performers (Blume, Baldwin & Rubin 2009). Thus, it is argued that performance evaluations loose their credibility, as they fail to differentiate between the employees (Guralnik, Rozmarin & So 2004).

Recently, it has therefore been a revival of forced ranking systems (Blume, Baldwin & Rubin 2009), which is a type of performance appraisal that separate individuals into preexisting performance categories (Olson & Davis 2003; Hazels & Sasse 2008). However, it has also been argued that no one type of performance assessment measure can suffice an organization's objective in the current times.

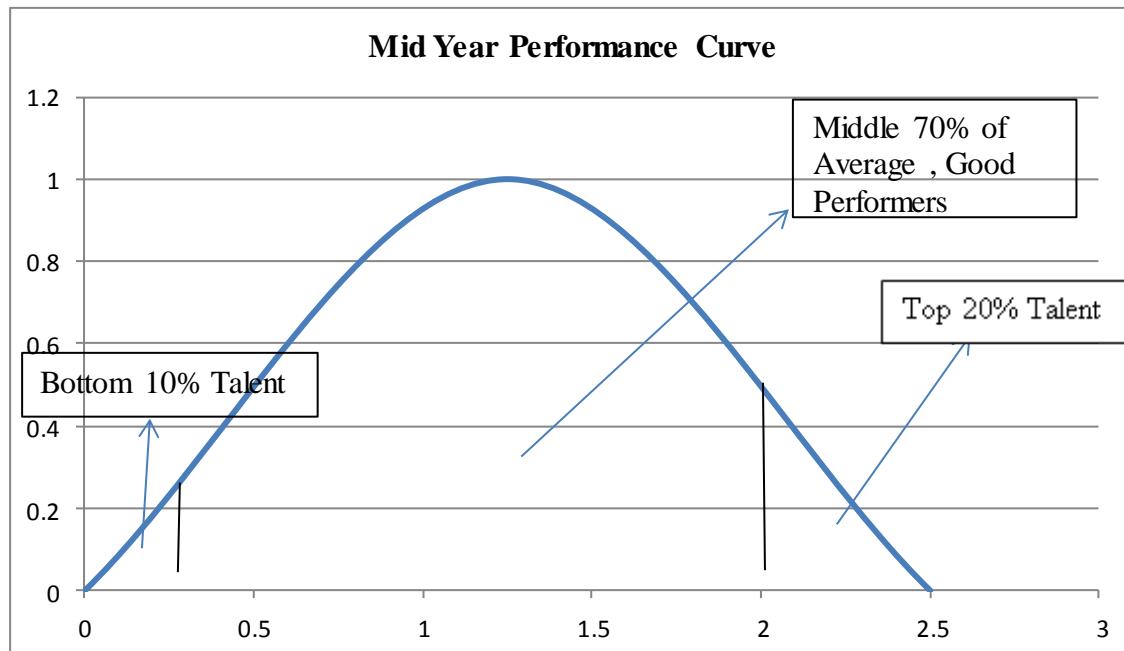
Therefore this case study provides evidence for using combination methods of performance appraisals rather than using a single technique for better results free from any biases. In summary, it can be concluded that performance appraisal systems become useless if they do not elicit positive reactions among raters and ratees (Tziner and Kopelman, 2002).

A couple of factors, regardless of the techniques used for performance appraisals, which would ensure effectiveness of the process are: a) Consistent and regular feedback b) Open dialogue between the manager and subordinate c) Competency based assessment d) Critical or compensable factors of the job outlined and communicated by the manager to the

subordinate at the beginning of the review cycle e) No room for surprises at the year-end review meeting f) Managerial competence at assessment without prejudice or personal bias

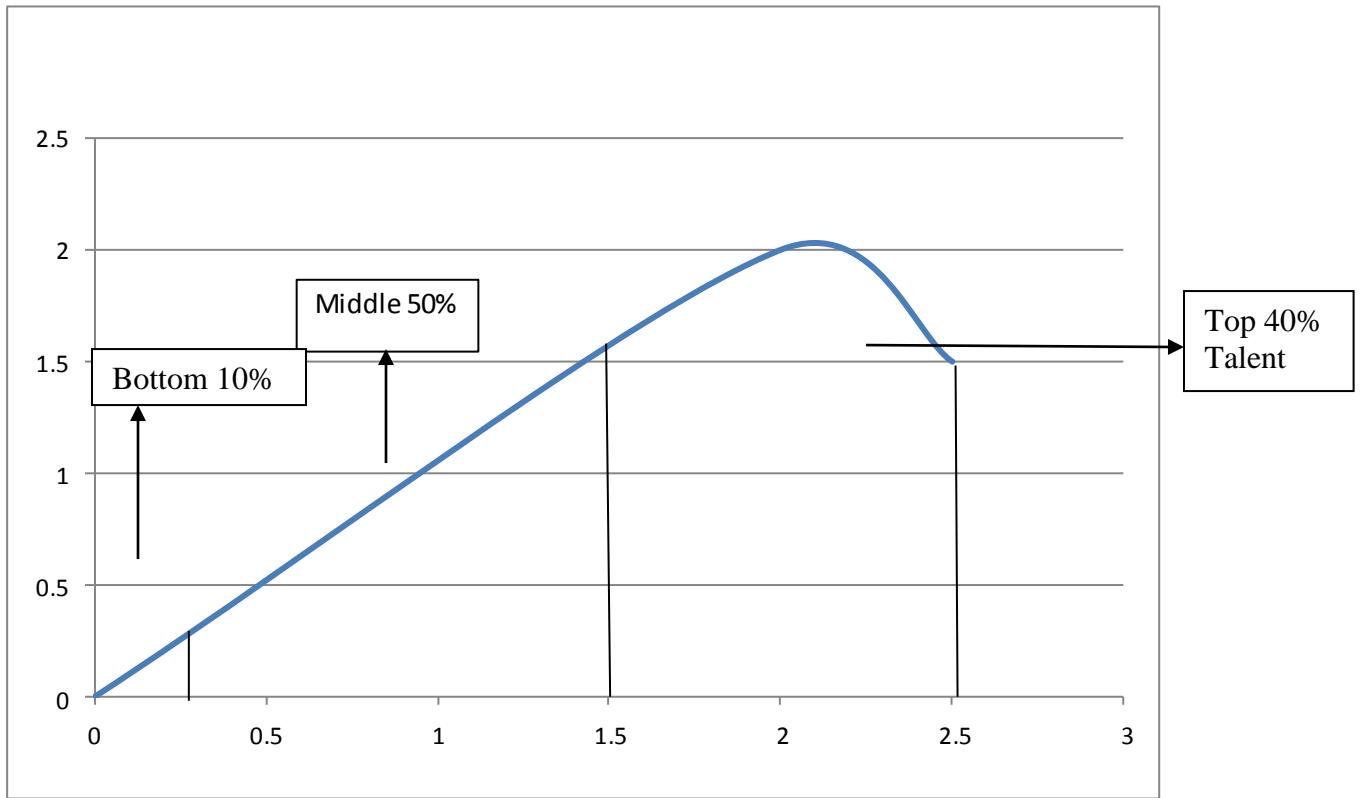
## Appendix A

### Star Consultancy Talent Curve

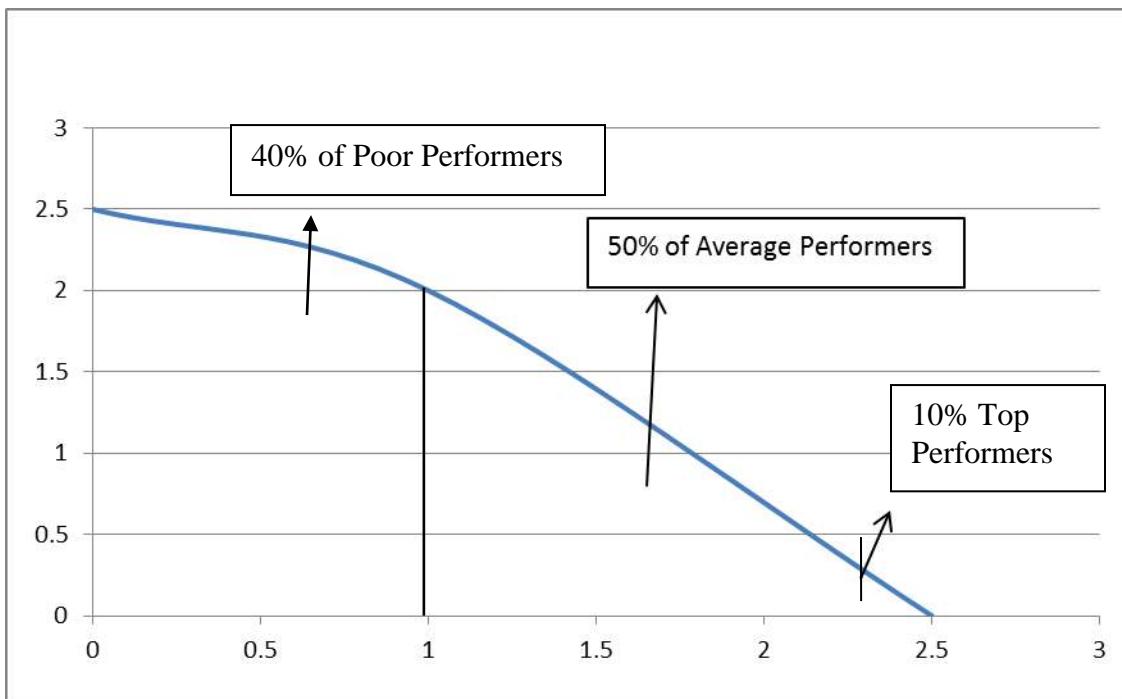


**Appendix B** (Both years 2017 and 2018 Star Consultancy Over achieved its targets as an organization)

**Unit 1: Achieved 140% of the said targets**



**Unit 2: Achieved 60% of its targets**



## **Appendix C:**

### **The Critical Incident Tracker**

The technique was formally codified by the works of Fitts and Jones in 1947 for classifying pilot error experiences in reading and interpreting aircraft instruments. Fitts and Jones used the term “errors” rather than “critical incidents”. As opposed to Fitts and Jones way of collecting data, data gathering during task performance is now considered a defining criterion for critical incident methods. The work of John Flanagan in 1954 became the landmark critical incident technique, after his title entitled “The Critical Incident Technique” appeared in the psychological bulletin. Flanagan (1954) defined the critical incident technique as a set of procedures designed to describe human behavior by collecting description of events having special significance and meeting systematically defined criteria. Flanagan originally used trained observers to collect critical incident identification. Identification of the critical incidents during task performance can be a individual process or a mutual process between user and evaluator. According to Dessler et. al.(2011),Critical Incident method is keeping a record of uncommonly good or undesirable examples of an employee’s work related behavior and reviewing it with the employee at predetermined times. The critical incident method of performance appraisal involved identifying and describing specific events (or incidents) where the employee did something really well or something that needs improvement. It's a technique based on the description of the event, and does not rely on the assignment of ratings or rankings, although it is occasionally coupled with a ratings type system.

The use of critical incidents is more demanding of the manager since it requires more than ticking off things on a form -- the manager must actually write things out. On the other

hand critical incidents can be exceedingly useful in helping employees improve since the information in them is more detailed and specific than in methods that involve rating employees. Generally, it's important that incidents be recorded AS THEY OCCUR, and not written at or around the annual performance review. Delaying the recording of critical incident reports (either good incidents or not so good) means a loss of detail and accuracy. The manager describes, in writing, an employee's behavior in critical incidents that occur throughout the evaluation period. He documents what happened, who was involved and what the employee did or failed to do. Managers document incidents as they occur, and they may be positive and negative events. The documented critical incidents are used in preparing the performance evaluation to identify employee strengths and opportunities for improvement. Because the nature and severity of critical incidents may vary, managers often assign a score to each incident.

For example, offending an important client would be a negative critical incident with potentially serious consequences that would outweigh many positive critical incidents. The critical incident method has the advantage of being task-focused. It focuses on the essential duties of an employee's job and how well she performs those duties. It is based on direct observation by the manager and not second-hand accounts. In this approach, managers gather information over time. They keep a log of positive and negative incidents, recorded at the time they occurred. So, the annual performance appraisal is not overly influenced by an employee's most recent accomplishments or problems.

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# **AN EFFICIENT WAY OF SETTING UP A HIGH PERFORMANCE WORKPLACE IN THE MARITIME INDUSTRY**

**Rahul. D**

Indian Maritime University, Mumbai Port Campus, Marine Engineering and Research Institute, Former Directorate of Marine Engineering and Training (DMET), India  
rahuldurai1998@gmail.com

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## **Abstract**

**E**very workplace requires an efficient Human Resource Management system. This paper focuses on a concept that can enable a proper and productive workplace.

The first place to start with would be an effective organization setup. Building an organization will be a very crucial process. It begins with collecting different skilled and unique minds that will form the very foundation of the company. Skilled workforce is a vital resource that any organization can rely upon. Hence this process must be efficient. The shipping industry requires effective human resource practices and policies. Some of the most critical personnel-focused services managed by HR that impact efficiency and productivity include training, performance appraisal, hiring and compensation. HR should be agile, open to technological developments and ensure employee dynamism by developing policies that aim to contribute to workers' personal improvements, leading to high satisfaction levels and better teamwork. Your HR manages administrative and planning activities like identifying shipping job specifications and preparing job descriptions, managing the information system, planning for risk management regarding potential hazards, conducting employee attitude surveys and leading with the development and adoption of new HR practices. HR policy should ensure career structures are enacted to avoid a shortage of quality-educated officers to perform operations that require multidisciplinary and increasingly technical skills. For a shipping company, HR policy should emphasize training and development programs and regular performance appraisals for personnel. Training should focus on necessary technical skills for employees to perform

their jobs and interactive skills to ensure courteous and responsive service. Continuous maritime training empowers the workers, ensuring you have, and can maintain, qualified manpower. Conduct periodic performance appraisal of employees to ascertain their competencies and suggest retraining when appropriate. Your HR function should have a well defined recruitment policy so you attract service oriented employees. Potential candidates should be selected based on service attitude and competence. The policy will enable competitive hiring practices and a compensation system that give you a competitive advantage. Aim to recruit from some of the top maritime labor supply nations like the Philippines, Indonesia, India, China and Russia. These countries do not have a leading international commercial fleet of their own, so seafarers from these nations largely constitute crews of convenience on the vessels of other nations. By the nature of the shipping industry, HR should aim to facilitate workforce diversity so that global operations are enhanced. Your company should have a policy covering such variables like pay for performance, equality of minority and majority groups of employees and flexible work schedules to accommodate cultural practices for various employees such as religious practices. If you have to maintain a workforce in various countries where you're shipping line is destined for deliveries, HR will need to handle local labor laws and unions. Have a proper HR information system that keeps all locations on a data loop to ease management. Other examples include the representative of management role with its advocacy focus for shipboard management, and the representative of employee's role as a key role for crew welfare. The human capital developer role is also important due to the high employee turnover characteristic of the industry. The functional expert role is important as a fundamental basis as it ensures a quick and effective execution of HR tasks and activities. Virtually non-existent is the strategic partner role, although aspired to by the shipboard HR function. The HR leader role is evaluated as a secondary responsibility of the HR manager and does not constitute a core HR function. The group HR role originates in the structure of the cruise ship owner company, and with the influential power of the shore side HR function on the application of HR policies and procedures on board it rather weakens the position of the shipboard HR function. The reactive approach is a typical characteristic attributed to HR roles, for example in the case of the representative of management role or the HR leader role, where it can at best gain recognition of the management colleagues by

applying exemplary leadership approaches. Some opportunities for becoming more proactive have been identified in its compliance and enforcement function or as human capital developer, whereas in the group HR role it is a contributor, as it represents the cruise ship view within and provides input to company-wide HR initiatives and projects. There is some unavoidable ambiguity present within the different roles as the interests of different stakeholders are supported. Four of the strong HR roles are primarily related to tactical HR work, whereas one encompasses transactional HR work. The four strong HR roles could be related to the key topics for the shipboard HR function as identified further above, namely performance management, discipline, training and development, and advising shipboard leaders and crew members. The question as to what knowledge and especially capabilities are needed by HR professionals to comfortably deliver what the respective HR roles require might be a starting point for further research on HR roles of the shipboard HR function. Nevertheless, other dominant HR roles have been identified that determine which HR services the shipboard HR function can provide. The interest here is to outline ‘how the shipboard HR function is perceived by the interviewees and what characterizes the collaboration of line management with the HR function. In order to answer this, a detailed picture of the partnership should be gained and an indication if the current shipboard HR function meets what the business expects from it. But before we examine the collaboration of shipboard leaders with the shipboard HR function, different shipboard roles are analyzed regarding their responsibilities for HR activities and the extent to which they conduct HRM on board. This provides an understanding on the assumption that HRM on board is shared between different roles, and of the scope of their involvement. Then in the subsequent three sections HR functions’ understanding of the realities of the business is analyzed, its effects on line managers’ autonomy on HR work, and its alignment to business requirements. The focus of this section is on different roles and the question, to what extent do certain shipboard positions conduct HRM on board. The aim is to understand that HRM on board is a shared function between HR professionals and shipboard leaders, with sometimes overlapping responsibilities, and to identify the extent of involvement of the respective role, if it is, for example, a contributor or plays more of a decider role for shipboard HRM. The analysis is based on descriptions of the positions in the shipboard safety management system that outline the responsibilities and objectives of

every single role on the cruise ship. Additionally the perceptions of the interviewees on the selected roles as well as the role description as recorded in the ethnographic field notes were used. First, the highest-ranking position on board was reviewed, which is the captain. Then the three different roles of the shipboard HR function were looked at, the HR manager, the assistant HR manager, and the training officer. A second prominent role on board that was explored was that of the staff captain, who is the deputy of the captain and represents him on some HRM responsibilities. Finally, the shipboard leader's role was examined here. Thus we can enable efficient and a high performance workplace in the Maritime Industry.

**Keywords:** Work Performance, Seafarer, Human Resource

### **Introduction:**

In Southeast Asia, the seafarers' labor market of countries regions such as Hong Kong, Korea and Taiwan developed rapidly in the 1970s and thus had supported a quick development of their shipping industry in these countries. When The economies of these countries regions improved, young people did not join the seafaring career just same as what happened in the developed countries such as UK, Japan, France, etc. However, seafarers are always important to the shipping industry but are in serious shortage in the developed countries. In recent years, the increasing number of fleets around the world has made it difficult for shipping companies to find capable seafarers and. As a consequence, the major source of seafarers has shifted from developed countries to less developed countries, and then to underdeveloped countries .In the recent decades, the shipping industries of Taiwan have been developing and expanding very fast. This has led to the shortage of seafarers become reality which in turn has pushed up the salary level of seafarers and forced the market players to hire seafarers from the "third world" countries. Most shipping companies have resorted to countries aboard to find enough seafarers to operate their ships. One may say that it is not hard to find seafarers but to find well-trained (skillful and experienced) seafarers and to keep them loyal to the company is the real challenges. As seafarers leave their home to work onboard ships for transnational voyages on contracts of long duration and live in confined spaces, crises concerning the confined

spaces might arise. Taiwanese seafarers are competing for jobs with seafarers of other nationalities and going away from their families to work onboard. Shipping companies in the world can hire seafarers from almost anywhere of the world, take them to their vessels to work and repatriate them home at the end of their employment contract. The main sources of seafarers are also shifting. At present, it is common for shipping companies operating modern international vessels to recruit seafarers of different regions over the world through networks of crewing agents, and so it is common to find crews comprising those from different countries .According to the interviews with experienced managers of shipping companies, combining seafarers of different nationalities has resulted in a higher turnover rate and some management problems, such as low loyalty, low productivity and high accident rate. Many pointed out that the causes of 100 per cent of marine accidents are related to human factor, whereas the human beings included the seafarers themselves and other parties. A study showed that human error contributed to 84-88 per cent of tanker accidents, 79 per cent of towing vessel groundings, 89-96 per cent of collisions and 75 per cent of fires and explosions. Recently, an analysis of the instances of groundings and collisions indicates that human element accounted for 80 per cent of these accidents. It seemed to be a common knowledge that a majority of accidents were actually caused by human factors or human errors. Moreover, some even pointed out that no matter how sophisticated the navigational aids and safety devices are onboard ships, and how far mathematically planned, computerized and automated the voyages are, human fallibility always exists and remains as the prime cause of accidents in navigable waters . The seafarers, according to the Seafarers' Training, Certification and Watch keeping (STCW) code and its amendments, are required to receive standard training to be a qualified crew. However, competency of seafarers refers to not only the possession of knowledge and certificates but also the skills and experience which can only be accumulated year by year. Accordingly, management ashore and on board should not only ensure that the formal skills are in place but also ensure, encourage and inspire the necessary attitudes to achieve the safety objectives. The employment contracts between seafarers and ship owners or ship operators include the terms relevant to the service of seafarers onboard the ships and how and when to leave the ship after completing the contract. When we take a look at the developing pattern of the shipping industry and the existing problems, we find that most of

the line managers of seafarers' recruitment and even the ship owners and operators still think of costs of crew management as administrative overhead and place high priority to the reduction of this kind of cost. While the shipping companies are focusing on the administrative efficiency and compliance activities, how to justify seafarers into as an asset of a shipping company and retain seafarers longer in their companies is a critical issue to enhance the operation performance and navigation safety. The global trend of shipping industry development provides significant evidence that the ship owners and ship operators are only concerned with their encountered problems and recruited seafarers with certain knowledge associated with certificates. Even worse is that the management of shipping companies all considered employment costs as the costs which can immediately be reduced. The seafarer will leave the ship, but in most of the cases, they will remain in the same company as well to find more favorable contract terms, i.e. higher salary and better working environment. In consequence, the skills and experience accumulated by the seafarers are displaced with that, if any, of new and junior seafarers. High turnover rate of seafarers is common in shipping industry, and this resulted in the global shortage of experienced and well-trained senior seafarers. Efficiency of seafarers has two basic dimensions: technical competency which is acquired through training, education and experience, and effort and commitment which is primarily determined by the social and economic conditions of employment. At first, there may be a consensus in the industry about an imminent shortage of people suitably trained and experienced for senior officer ranks, but it is also becoming apparent that many ratings are also poorly trained and that fraudulent certification, especially at junior officer and ratings levels, is widespread. As ship owners are turning to regions of low development and low salary for recruitment of seafarers, there seems now a serious problem of shortage of competent seafarers within the companies. An awareness of the standards required of the skills of other specialist technical areas and the adoption of a broader and longer term view of the skill requirements of modern maritime industry is required. These kind of manpower problems arise from the requirement of technical competences of seafarers. An optimally efficient labor force can be sensibly defined as one where technical competency is universally consistent with best practice, up-to-date knowledge and maximum commitment to pay effort. Thus, the seafarers' experience, talent, commitment and flexibility can be the desirable

characteristics of the human capital of a shipping company. From the view point of crew managers, finding sufficient qualified seafarers and keeping their continuous loyalty to the company. To achieve this objective, shipping companies should regard the seafarers as their asset. Equally important is motivation of the seafarers to optimize their productivity and efficiency. Organizational assets will rise to the level of a strategic asset when they become a source of competitive advantage. Strategic assets of a company are the set of assets which other companies find difficult to trade and imitate, and they are scarce, appropriable and specialized resources and capabilities which are the company's competitive advantages. To bridge the gaps within human resource management and to explore both where and who to hire the qualified seafarers to better fit for the shipping companies, this study focuses on the aims of discovering the problems existing in the seafarer recruitment management system and of finding out an efficiency recruitment system for shipping companies. The results will provide evidences to guide the seafarer recruitment in the shipping companies, and it may further improve the overall welfare of seafarers and enhance the navigation safety as well. Although global economic crisis, rising competition among ship owners forces them to have vessels and fit the vessels with qualified seafarers. From the view point of ship owners and managers, the problem is recruiting and employing competent seafarers and keeping them employed by the same company regularly. Seafarers work at the shipping company during a contract term and they have chance to change the company upon completion of the contract. However, flexible wage scales and competition between companies make it difficult to recruit qualified crew members and maintain their loyalty for the company. The main focus of this paper is to search for the methods to improve seafarer recruitment and employment practices in order to manage seafarer's loyalty for the company consistently.. The paper concludes with proposals on certain convenient alternative(s) for shipping and manning firms on future decisions in the light of the research.

### **The Seafarer's Occupation:**

The seafarer's occupation can be segregated by skill/ qualification level, and by departments onboard ship, e.g. deck, engine. The competencies needed to obtain a given qualification have been embodied in STCW'95, which came into force on 1 February 2002.

This International Maritime Organization (IMO) Convention regulates the Standards of Training, Certification and Watchkeeping that all member countries are required to achieve in their national administrations (STCW'95). It supersedes an earlier convention, first introduced in 1978 (STCW'78). There are two principal officer classifications, deck and engineer. The former train to operate and direct the vessel, whilst the latter train to manage and maintain the engines and other equipment vital to the safe operation. In addition, there are a number of other officer departments, such as radio officers, pursers or hotel managers; but the most significant are the deck and engineer. So, a seafarer is either a rating, a cadet, or an officer.

A definition of seafarers must take into account that they live in confined spaces, crisscrossing maritime space around the world, circulating in long-term contracts between home and work, and maintaining the transnational links mentioned earlier. Seafarers have to be seen as being bound in both a global economic system, where they are competing for jobs with other nationalities, and as social beings, working apart from their families. These occupational features are the basis for a common identity that has led to an almost 'cosmopolitan' attitude among all nationalities of seafarers.

### **Recruitment:**

The contemporary seafarer labor market is among the most globalized of any sector. Shipping companies can hire seafarers from almost any part of the world, fly them to their vessels to work and fly them home at the end of their contract. Fleet personnel managers are driven by company and shareholder demands for profit maximization to search for the cheapest possible sources of seafarers deemed by them to be of acceptable quality. Today this process is well-organized and takes place both via networks of crewing agents offering third party services and sometimes more directly via satellite company offices. Today's seafarers are commonly recruited from different world regions through networks of crewing agents and abroad modern international vessels it is common to find crews composed of men and women from several dozen countries . Hence, the contemporary shipping industry is staffed with multinational crews in international waters under multinational management but outside national boundaries. Seafarers are recruited

worldwide by using formal and informal recruiting mechanisms .According to **94th International Labor Conference in 2006, International Maritime Labor Convention** defined the features of recruitment and placement as below:

**Standard A1.4 – Recruitment and placement:**

- Each Member that operates a public seafarer recruitment and placement service shall ensure that the service is operated in an orderly manner that protects and promotes seafarers' employment rights as provided in this Convention.
- Where a Member has private seafarer recruitment and placement services operating in its territory whose primary purpose is the recruitment and placement of seafarers or which recruit and place a significant number of seafarers, they shall be operated only in conformity with a standardized system of licensing or certification or other form of regulation. This system shall be established, modified or changed only after consultation with the ship owners' and seafarers' organizations concerned .

**Comparing the seafarer recruitment applications in 2 developing countries:**

**Manpower update figures:**

Country	1995			2000			2005		
	Officers	Ratings	Total	Officers	Ratings	Total	Officers	Ratings	Total
India	12000	31000	43000	12930	30375	43305	13932	29763	43695
Philipines	49430	195352	244782	52089	241129	293218	54892	297632	352524
Turkey	15000	65000	80000	15000	55376	70376	15000	47177	62177
Ukraine			38000			37000			

**Indian Seafarers:**

India has positioned herself as a major human resources-supplying nation to the maritime industry. As a result of the initiatives taken by the government in encouraging private participation in maritime training, the number of maritime training institutes under the assurance of quality training by the Directorate General of Shipping DG(S) rose to 128 in 2005. India's share of global maritime human resources rose to 26950 officers and 75650 ratings,

Comprising an estimated 6% of the world's seafarers. India ranks twelfth in the world in the global supply of officers and fourth in the supply of seamen. In the negotiations, India can commit to open up Mode 3 that is, liberalize access to foreign investors in maritime transport services sector and in return ask for liberal access to Indian officers and seafarers in the labor markets of developed countries. India is not a large shipping nation in terms of its merchant fleet and at the beginning of 2006 it was ranked 20th in terms of its fleet size in gross tonnage (gt) by flag of registration, constituting 1.16 per cent of the world fleet size. The Indian shipping fleet's share in the carriage of India's own overseas trade has in fact been slipping over the year's .Indian officers are particularly sought after by foreign ship owners because of their training, discipline and seafaring traditions. A combination of favorable factors has been responsible for the country's success in increased employment of their seafarers. The country has several well established maritime training institutions which are staffed by experience trainers and provided with modern training equipment from several sources including the government, foreign and local ship owners and agents as well as the strong seafarers' unions. The system of administration and certification and recruitment of seafarers is progressive and has been well accepted internationally. The industry has received strong support by the government

which has been able to work hand in hand with both employers and labour unions. The presence of many foreign shipping companies operating through their agents in the thriving port-cities of Bombay and to a less extent at Calcutta is an additional favorable factor.

### **Filipino Seafarers:**

The Filipino labor diaspora is one of the largest crew supplier in the world. In one of the world's most globalized industries, it is a curious fact that nearly one in every three workers at sea is from the Philippines. Over 255,000

Filipino seafarers, by far the largest national group, play the world's oceans and seas, primarily as deck hands, engine room oilers, cabin cleaners and cooks aboard container ships, oil tankers and luxury cruise liners .Filipinos were recruited initially to serve as lower ratings on deck and in the engine room. In 1976, of the 45,000 registered seamen,

only 10 per cent were officers, and these were at the junior rank of 4th engineer and 3rd mate. By 2000,

only 15 per cent of registered Filipino seafarers were officers, and in 2003 only 8.5 per cent had reached the senior officer level .The Philippines' seafaring industry has created productive opportunities for thousands of Filipino marine officers and ratings in foreign-going vessels and has pumped into the economy foreign exchange in the form of salary remittances which contribute significantly to the dollar reserves of the country. Despite the emergence of other developing countries as alternative sources of seaboard labour, the Philippines remained as the premier supplier of seafarers for the international merchant fleet. The ensuing recruitment, deployment and actual employment of seafarers as well as other skills are however regulated by the Department of Labour and Employment, in particular the Philippine Overseas Employment Administration (POEA). ([www.unescap.org](http://www.unescap.org)).

Equally sharing responsibility with the POEA in the recruitment of seafarers are well-organized and professional manning agents which provide services from negotiation to actual selection and sending-off of contracted seafarers. While these agents basically supply crew for vessels, they are also ship owners and/ or shipping companies engaged in shipping services such as ship chartering, brokerage, import and export trade and cargo handling. They actively participate in tripartite decision and policy-making in such areas as training, mobilization and compliance to international standards governing the maritime industry.

#### **Indian Seafarer's views:**

When a crew member joins one of the vessel, they call up his family and inform them that he has reached safely. Likewise when crew member sign off they make it appoint to enquire about their stay o/b and request them to share their experiences. In cases when they are informed that a crew members family back home needs assistance they offer to help out with their problems. They plan to hold seminars and crew members who have sailed with us will be invited to attend these and share their experiences with them. During these seminars they will anchorage them to put forward their suggestions so as to have a

mutually healthy working atmosphere between company and crew members and also crew members themselves. The difficulty is; sometimes it's not easy to find suitable crew members to meet the requirements. The reasons for this could be either the wages offered are not agreeable to the crew member, his requirement of contract duration or type of vessel may not be available. Permanent solutions to these problems unfortunately cannot be found. As most of the times these problems arises when the demand for qualified crew members is far greater than those actually available.

### **Conclusions:**

It was found that many drawbacks of and received some complains of the seafarers' recruitment management system from the interviewees. Therefore, the author conducted a research focused on discovering the influence of seafarers' recruitment system on the work performance and aimed to establish a proper seafarer recruitment management system in the shipping context. It also indicated that the seafarers have the lowest degree of satisfaction on their payment, but they have the best work attitude, however. These results implicated when the nationality of seafarers and the shipping company are based in same country, the seafarers might to have higher commitment and reflect a better loyalty. The results also provide evidences that if the seafarers come from higher developed countries which have better economy, they tend to have higher expectation and demand about their benefits and compensations. The tenure group between 11 and 15 years is the most satisfied group with reference to the dimension of welfare and opportunity and they have the best work attitude. On the contrary, the tenure group between 6 and 10 years has the lowest mean score on these two dimensions. These results suggest that the seafarer would have better work attitude while they are satisfying their work and might to perform better.

- The recruitment process has to be transparent and flexible.
- The employees should be trained mentally to support the growth of the company or the workplace as a whole.
- Active participation of the employer with their employee helps build a bridge of bond between them. This ensures trust and loyalty mutually.

- The employer should look for the most basic needs of their employees and support them along their employees and support them along their company's journey.
- In a vast maritime industry it is necessary that the problems faced by the employee are taken seriously and fixed at the earliest as it would affect the upcoming generation of employees.
- Regular interactive sessions to ensure the welfare of employees and specific recognition for exceptional track record in the field are the most motivating factors that push a company's status higher and higher in the market.
- Workshops to handle stress and other mental problems could be set up to ensure that their employees are in an adaptable environment to boost up work proficiency.

Skills need to be updated as industry changes every day. All these factors affect the workplace in any industry, especially a big market as ours.

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# **AN OUTLOOK OF STRESS MANAGEMENT AT WORK**

## **PLACE**

**C.H. Kavitha Naidu<sup>1</sup>**, Research scholar, Department of Business Management, Krishna University, Machilipantnam, AP

**Dr. R Padmaja<sup>2</sup>**, Assistant Professor Department of Business Management, Krishna University, Machilipantnam,AP

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**W**hile some workplace stress is normal, excessive stress can interfere with your productivity and performance, impact your physical and emotional health, and affect your relationships and home life. It can even mean the difference between success and failure on the job. You can't control everything in your work environment, but that doesn't mean you're powerless—even when you're stuck in a difficult situation. Whatever your ambitions or work demands, there are steps you can take to protect yourself from the damaging effects of stress, improve your job satisfaction, and bolster your well-being in and out of the workplace. Today's workplaces are stressing us out, and adversely impacting our health and well-being, according to research by a Business School. We are working too many hours, and too many hours of work have been shown to be related to high-blood pressure and a host of other diseases. Workplace stress might be affecting your health more than you think.

Absence of job control, work-family conflict and economic insecurity are all stressors. The combination of working too much and having too much stress can literally kill people. People's minds affect their bodies. Stress is a mental state. It's not surprising that things that make you stressed, nervous, anxious and feel out of control have enormous physiological impact.

Some research works has long-shown the negative impact of work place stress in our lives. The study brought all of the previous research on the topic together in an effort to create that estimates the total effects on population health and health-care costs.

## **Stress in Today's Workplace**

The longer he waited, the more Moorthy worried. For weeks he had been plagued by aching muscles, loss of appetite, restless sleep, and a complete sense of exhaustion. At first he tried to ignore these problems, but eventually he became so short-tempered and irritable that his wife insisted he get a checkup. Now, sitting in the doctor's office and wondering what the verdict would be, he didn't even notice when Rajamani took the seat beside him. They had been good friends when she worked in the front office at the plant, but he hadn't seen her since she left three years ago to take a job as a customer service representative. Her gentle poke in the ribs brought him around, and within minutes they were talking and gossiping as if she had never left.

"You got out just in time," he told her. "Since the reorganization, nobody feels safe. It used to be that as long as you did your work, you had a job. That's not for sure anymore. They expect the same production rates even though two guys are now doing the work of three. We're so backed up I'm working twelve-hour shifts six days a week. I swear I hear those machines humming in my sleep. Guys are calling in sick just to get a break. Morale is so bad they're talking about bringing in some consultants to figure out a better way to get the job done."

"Well, I really miss you guys," she said. "I'm afraid I jumped from the frying pan into the fire. In my new job, the computer routes the calls and they never stop. I even have to schedule my bathroom breaks. All I hear the whole day are complaints from unhappy customers. I try to be helpful and sympathetic, but I can't promise anything without getting my boss's approval. Most of the time I'm caught between what the customer wants and company policy. I'm not sure who I'm supposed to keep happy. The other reps are so uptight and tense they don't even talk to one another. We all go to our own little cubicles and stay there until quitting time. To make matters worse, my mother's health is deteriorating. If only I could use some of my sick time to look after her. No wonder I'm in here with migraine headaches and high blood pressure. A lot of the reps are seeing the employee assistance counselor and taking stress management classes, which seems to help. But sooner or later, someone will have to make some changes in the way the place is run."

Not Moorthy and the receptionist like these two good colleagues many more are under these perceptions.

### **What is the effect of all of this stress?**

Many researchers found that there are about lakhs in numeric deaths annually take place world wide related to excess stress. Close to some billion is spent in healthcare costs as a consequence of exposures to harmful workplace conditions. These conditions include:

- absence of health insurance
- shift work
- working too many hours
- job insecurity
- work/family conflict
- not feeling things are fair and just
- lack of social supports, among others.

The mortality rate for excess stress is comparable to some of the largest causes of death, namely heart disease and accidents. It's more than the death rate from Alzheimer's, diabetes or the flu.

### **What are the worst workplace stressors?**

The biggest contributors to healthcare costs are chronic stressors, such as absence of healthcare, economic insecurity, too many work hours and work/family conflicts.

### **How much is in our control?**

Employees need to understand that jobs that don't offer healthcare, require long hours, shift work and are economically insecure are more than an inconvenience. These types of stressors will have a profound impact on their lives and should be taken into account when considering a position.

Employers who worry about healthcare costs should be more concerned about the work environment. Many studies found that employers tend to worry about individual decisions like employee eating, exercising, smoking, drinking, etc. Employers also tend to be concerned about broad social policy issues, like how we pay for healthcare in India.

Most excess healthcare costs are a result of what people experience in the work environment. Employers need to understand the importance of reducing stress in the work environment; most of these issues are things the employer could improve or remedy if so desired.

### **How can we make things better?**

Employers need to recognize the costs incurred when employees must live with excessive stressors and design a benefits program that, while supporting the company's priorities, reduces risk and controls costs, takes into account employee stress and morale.

### **When is workplace stress too much?**

Stress isn't always bad. A little bit of stress can help you stay away focused, energetic, and not able to meet new challenges in the workplace. It's what keeps you on your toes during a presentation or alert to prevent accidents or costly mistakes. But in today's hectic world, the workplace too often seems like an emotional roller coaster. Long hours, tight deadlines, and ever-increasing demands can leave you feeling worried, drained, and overwhelmed. And when stress exceeds your ability to cope, it stops being helpful and starts causing damage to your mind and body—as well as to your job satisfaction.

If stress on the job is interfering with your work performance, health, or personal life, it's time to take action. No matter what you do for a living, or how stressful your job is, there are plenty of things you can do to reduce your overall stress levels and regain a sense of control at work.

Common causes of workplace stress include:

- Fear of being laid off

- More overtime due to staff cutbacks
- Pressure to perform to meet rising expectations but with no increase in job satisfaction
- Pressure to work at optimum levels—all the time!
- Lack of control over how you do your work

The of occupational stress has the same base as in the case of person environment fit theory. There are two basic arguments in the framework of occupational stress. First, stress emerges when there is the misfit between person and environment and second, stress is generally determined by individual perceptions of working environment. The distinction between the two aspects is the definition of framework. Occupational stress is defined as a process containing the environmental causes of stress and the perceptions of individuals about them, physical, emotional, and behavioral reactions in the short run and long run and modifying determinants that affect the relationship of the variables in the process of stress. Concept of snowball effect is applied in case of perceiving stress and the resulting stress. Bad perceptions related to work environment increase stress, which leads to the more bad perceptions of work. There is interdependent connection exists. Physical, mental and behavioral stress is created which will lead to the lasting results i.e. depression, alcohol abuse, failure, physical diseases and other harmful outcomes (Bickford). The framework of occupational stress has five stages. The first stage shows the demands of working environment. The second stage show the perception of an individual of these job demands related to his ability to manage. Stress is considered a psychic condition which originates when there is imbalance between the perceptions of job demands and feeling of an individual about his ability to deal with it. The third stage is linked with the psychological and physiological changes experienced by an individual as a result of stress and involves secondary judgment and managing. Cox and Ferguson (1991) states that when a person is facing stress, psychological changes will occur in him like mood variation and emotional feelings. Anxiety, feeling of broken down and sadness etc are the signs of stress. If a person has knowledge of obstacles that cause stress, he tries to adjust in the situation or tries to adjust the situation. If a person is unable to do so, it will lead to adverse health outcomes. The fourth stage shows the results of managing and final and the fifth stage is response

which results in association with the other stages (Mark, 2008). There is much research done on the influence of elements of individual characteristics i.e. locus of control, self-efficacy, hardiness etc, and its connection with the health. Information available on these elements, functioning as mediating and moderating variables, is considerably provisional (Cooper, Dewe, O 'Driscoll, 2001; Spector, 2003; Parkes, 1994)

People have deep attachments to their work groups, organizational structures, personal responsibilities, and ways of accomplishing work. When any of these are disturbed, whether by personal choice or through an organizational process from which they may feel quite removed and not involved, a transition period occurs.

During this transition, people can expect to experience a period of letting go of the old ways as they begin moving toward and integrating the new.

When you consider stress in the workplace, understanding these components about stress, situations that induce stress, and employee responses to stress can help you help both yourself and your staff effectively manage stress and change.

Here are additional thoughts about what affects an employees ability to cope with stress at work. Additional information about stress.

All of these and other issues impact the ability to manage workplace stress and change, to continue to function productively. It is important to recognize that people who are experiencing serious stress and change may not be capable of performing exactly as they have in the past.

Stress can cause physical, emotional, and behavioral problems which can affect employees health, energy, well-being, mental alertness, and personal and professional relationships. It can also cause defensiveness, lack of motivation, difficulty concentrating, accidents, reduced productivity, and interpersonal conflict.

Too much stress can cause minor problems such as sleep-loss, irritability, backaches, or headaches, and can also contribute to potentially life-threatening diseases such as high blood pressure and heart disease.

During stressful times or situations, people often blame themselves for being weak or for their inability "to handle it." Often managers in organizations do not understand the normal progression of change or stress-producing situations and they expect employees to immediately return to total productivity after a stressful event. It doesn't happen.

### **Stress at work warning signs**

When an employee feel overwhelmed at work, they lose confidence and may become angry, irritable, or withdrawn. Other signs and symptoms of excessive stress at work include:

- Feeling anxious, irritable, or depressed
- Apathy, loss of interest in work
- Problems sleeping
- Fatigue
- Trouble concentrating
- Muscle tension or headaches
- Stomach problems
- Social withdrawal
- Loss of sex drive
- Using alcohol or drugs to cope

Below are some suggestions to overcome daily Stress..

#### **1: Beat workplace stress by reaching out**

Sometimes the best stress-reducer is simply sharing your stress with someone close to you. The act of talking it out and getting support and sympathy—especially face-to-face—can

be a highly-effective way of blowing off steam and regaining your sense of calm. The other person doesn't have to "fix" your problems; they just need to be a good listener.

**Turn to co-workers for support.** Having a solid support system at work can help buffer you from the negative effects of job stress. Just remember to listen to them and offer support when they are in need as well. If you don't have a close friend at work, you can take steps to be more social with your coworkers. When you take a break, for example, instead of directing your attention to your smart phone, try engaging your colleagues.

**Lean on your friends and family members.** As well as increasing social contact at work, having a strong network of supportive friends and family members is extremely important to managing stress in all areas of your life. On the flip side, the lonelier and more isolated you are, the greater your vulnerability to stress.

**Build new satisfying friendships.** If you don't feel that you have anyone to turn to—at work or in your free time—it's never too late to build new friendships. Meet new people with common interests by taking a class or joining a club, or by volunteering your time. As well as being a great way to expand your social network, being helpful to others—especially those who are appreciative—delivers immense pleasure and can help to significantly reduce stress. Support your health with exercise and nutrition

When you're overly focused on work, it's easy to neglect your physical health. But when you're supporting your health with good nutrition and exercise, you're stronger and more resilient to stress.

Taking care of yourself doesn't require a total lifestyle overhaul. Even small things can lift your mood, increase your energy, and make you feel like you're back in the driver's seat.

## **2. Make time for regular exercise**

Aerobic exercise—activity that raises your heart rate and makes you sweat—is a hugely effective way to lift your mood, increase energy, sharpen focus, and relax both the mind and body. Rhythmic movement—such as walking, running, dancing, drumming, etc.—is especially soothing for the nervous system. For maximum stress relief, try to get at least 30 minutes of activity on most days. If it's easier to fit into your schedule, break up the activity into two or three shorter segments.

**The Mental Health Benefits of Exercise:** For Depression, Anxiety, and Stress and when stress is mounting at work, try to take a quick break and move away from the stressful situation. Take a stroll outside the workplace if possible. Physical movement can help you regain your balance.

### **Make smart, stress-busting food choices**

Your food choices can have a huge impact on how you feel during the work day. Eating small, frequent and healthy meals, for example, can help your body maintain an even level of blood sugar, keeping your energy and focus up, and avoiding mood swings. Low blood sugar, on the other hand, can make you feel anxious and irritable, while eating too much can make you lethargic.

**Minimize sugar and refined carbs.** When you're stressed, you may crave sugary snacks, baked goods, or comfort foods such as pasta or French fries. But these "feel-good" foods quickly lead to a crash in mood and energy, making symptoms of stress worse not better.

**Reduce your intake of foods that can adversely affect your mood,** such as caffeine, trans fats, and foods with high levels of chemical preservatives or hormones.

**Eat more Omega-3 fatty acids to give your mood a boost.** The best sources are fatty fish (salmon, herring, mackerel, anchovies, and sardines), seaweed, flaxseed, and walnuts.

**Avoid nicotine.** Smoking when you're feeling stressed may seem calming, but nicotine is a powerful stimulant, leading to higher, not lower, levels of anxiety.

**Drink alcohol in moderation.** Alcohol may seem like it's temporarily reducing your worries, but too much can cause anxiety as it wears off and adversely affect your mood.

**Don't skimp on sleep.** You may feel like you just don't have the time get a full night's sleep. But skimping on sleep interferes with your daytime productivity, creativity, problem-solving skills, and ability to focus. The better rested you are, the better equipped you'll be to tackle your job responsibilities and cope with workplace stress.

**Improve the quality of your sleep** by making healthy changes to your daytime and nightly routines. For example, go to bed and get up at the same time every day, even on weekends, be smart about what you eat and drink during the day, and make adjustments to your sleep

environment. Aim for 8 hours a night—the amount of sleep most adults need to operate at their best.

Turn off screens one hour before bedtime. The light emitted from TV, tablets, smart phones, and computers suppresses your body's production of melatonin and can severely disrupt your sleep.

Avoid stimulating activity and stressful situations before bedtime such as catching up on work. Instead, focus on quiet, soothing activities, such as reading or listening to soft music, while keeping lights low.

### **Stress and shift work**

Working night, early morning, or rotating shifts can impact your sleep quality, which in turn can affect productivity and performance and leave you more vulnerable to stress.

- Adjust your sleep-wake cycle by exposing yourself to bright light when you wake up at night, using bright lamps or daylight-simulation bulbs in your workplace, and then wearing dark glasses on your journey home to block out sunlight and encourage sleepiness.
- Limit the number of night or irregular shifts you work in a row to prevent sleep deprivation mounting up.
- Avoid frequently rotating shifts so you can maintain the same sleep schedule.
- Eliminate noise and light from your bedroom during the day. Use blackout curtains or a sleep mask; turn off the phone, and use ear plugs or a soothing sound machine to block.

### **Prioritize and organize**

When job and workplace stress threatens to overwhelm you, there are simple, practical steps you can take to regain control.

### **3. Time management tips for reducing job stress**

**Create a balanced schedule.** All work and no play is a recipe for burnout. Try to find a balance between work and family life, social activities and solitary pursuits, daily responsibilities and downtime.

**Leave earlier in the morning.** Even 10-15 minutes can make the difference between frantically rushing and having time to ease into your day. If you're always running late, set your clocks and watches fast to give yourself extra time and decrease your stress levels.

**Plan regular breaks.** Make sure to take short breaks throughout the day to take a walk, chat to a friendly face, or practice a relaxation technique. Also try to get away from your desk or work station for lunch. It will help you relax and recharge and be more, not less, productive.

**Establish healthy boundaries.** Many of us feel pressured to be available 24 hours a day or obliged to keep checking our smart phones for work-related messages and updates. But it's important to maintain periods where you're not working or thinking about work. That may mean not checking emails or taking work calls at home in the evening or at weekends.

**Don't over-commit yourself.** Avoid scheduling things back-to-back or trying to fit too much into one day. If you've got too much on your plate, distinguish between the "shoulds" and the "musts." Drop tasks that aren't truly necessary to the bottom of the list or eliminate them entirely.

### **4. Task management tips for reducing job stress**

**Prioritize tasks.** Tackle high-priority tasks first. If you have something particularly unpleasant to do, get it over with early. The rest of your day will be more pleasant as a result.

**Break projects into small steps.** If a large project seems overwhelming, focus on one manageable step at a time, rather than taking on everything at once.

**Delegate responsibility.** You don't have to do it all yourself. Let go of the desire to control every little step. You'll be letting go of unnecessary stress in the process.

**Be willing to compromise.** Sometimes, if you can both bend a little at work, you'll be able to find a happy middle ground that reduces the stress levels for everyone.

## **5. Break bad habits that contribute to workplace stress**

Many of us make job stress worse with negative thoughts and behavior. If you can turn around these self-defeating habits, you'll find employer-imposed stress easier to handle.

**Resist perfectionism.** When you set unrealistic goals for yourself, you're setting yourself up to fall short. Aim to do your best, no one can ask for more than that.

**Flip your negative thinking.** If you focus on the downside of every situation and interaction, you'll find yourself drained of energy and motivation. Try to think positively about your work, avoid negative-thinking co-workers, and pat yourself on the back about small accomplishments, even if no one else does.

**Don't try to control the uncontrollable.** Many things at work are beyond our control—particularly the behavior of other people. Rather than stressing out over them, focus on the things you can control such as the way you choose to react to problems.

**Look for humor in the situation.** When used appropriately, humor is a great way to relieve stress in the workplace. When you or those around you start taking things too seriously, find a way to lighten the mood by sharing a joke or funny story.

**Clean up your act.** If your desk or work space is a mess, file and throw away the clutter; just knowing where everything is can save time and cut stress.

## **6. Be proactive about your job and your workplace duties**

When we feel uncertain, helpless, or out of control, our stress levels are the highest. Here are some things you can do to regain a sense of control over your job and career.

**Talk to your employer about workplace stressors.** Healthy and happy employees are more productive, so your employer has an incentive to tackle workplace stress whenever possible. Rather than rattle off a list of complaints, let your employer know about specific conditions that are impacting your work performance.

**Clarify your job description.** Ask your supervisor for an updated description of your job duties and responsibilities. You may then be able to point out that some of the things you are expected to do are not part of your job description and gain a little leverage by showing that you've been putting in work over and above the parameters of your job.

**Request a transfer.** If your workplace is large enough, you might be able to escape a toxic environment by transferring to another department.

**Ask for new duties.** If you've been doing the exact same work for a long time, ask to try something new: a different grade level, a different sales territory, a different machine.

**Take time off.** If burnout seems inevitable, take a complete break from work. Go on vacation, use up your sick days, ask for a temporary leave-of-absence—anything to remove yourself from the situation. Use the time away to recharge your batteries and take perspective.

## **7. Look for satisfaction and meaning in your work**

Feeling bored or unsatisfied with what you do for large parts of the day can cause high levels of stress and take a serious toll on your physical and mental health. But for many of us, having a dream job that we find meaningful and rewarding is just that: a dream. Even if you're not in a position to change careers to something that you love and are passionate about—and most of us aren't—you can still find purpose and joy in a job that you don't love.

**Finding the Right Career:** How to Find Job Satisfaction. Employees are focusing on the concept of right career, perfect job etc. where these all are making an employee to feel stress.

Even in some mundane jobs, you can often focus on how what you do helps others, for example, or provides a much-needed product or service. Focus on aspects of the job that you do enjoy—even if it's just chatting with your coworkers at lunch. Changing your attitude towards your job can also help you regain a sense of purpose and control.

## **How managers or employers can reduce stress at work**

Having your employees suffering from work-related stress can result in lower productivity, lost workdays, and a higher turnover of staff. As a manager, supervisor, or employer, though, there are things you can do to lower workplace stress. The first step is to act as a positive role model. If you can remain calm in stressful situations, it's much easier for your employees to follow suit.

Some times Effective Communication also improves the productivity level of an employee at work. Word of advice are given below to make an employee stress free at his workplace

**Consulting an employee during his work time.** Talk to them about the specific factors that make their jobs stressful. Some things, such as failing equipment, understaffing, or a lack of supervisor feedback may be relatively straightforward to address. Sharing information with employees can also reduce uncertainty about their jobs and futures.

**Communicate with employees one-on-one.** Listening attentively face-to-face will make an employee feel heard and understood—and help to lower their stress and yours—even if you're unable to change the situation.

**Deal with workplace conflicts in a positive way.** Respect the dignity of each employee; establish a zero-tolerance policy for harassment.

**Give workers opportunities to participate in decisions that affect their jobs.** Get employee input on work rules, for example. If they're involved in the process, they'll be more committed.

**Avoid unrealistic deadlines.** Make sure the workload is suitable to your employees' abilities and resources.

**Clarify your expectations.** Clearly define employees' roles, responsibilities, and goals. Make management actions fair and consistent with organizational values.

**Offer rewards and incentives.** Praise good work performance verbally and organization-wide. Schedule potentially stressful periods followed by periods of fewer tight deadlines. Provide opportunities for social interaction among employees.

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# **A COMPARATIVE STUDY ON DIGITAL BANKING INSTRUMENTS OF TOP FIVE PUBLIC AND PRIVATE SECTOR BANKS IN INDIAN BANKING SYSTEM**

**Bhumi M.Vyas<sup>1</sup>,** Assistant Professor-Faculty of Management, Marwadi University,  
Rajkot, Gujarat

Email id: bhumi.bhatt1090@gmail.com , bhumi.vyas@marwadieducation.edu.in

**Archana Badani<sup>2</sup>,** Research Scholar- Faculty of Management, Marwadi University,  
Rajkot, Gujarat

Email id: shah.archana24@gmail.com , archana.shah103843@marwadiuniversity.ac.in

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## **ABSTRACT**

**D**igital Revolution is far afar just moving from traditional banking to a digital world. It is a dynamic change in how banks and other financial organizations acquire about, interact with and gratify customers. A competent Digital Revolution begins with an understanding of digital customer comportment, preferences, selections, and likes, dislikes, stated as well as unspecified needs, ambitions etc. and these transformation indications to the major fluctuations in the institutions, from product-centric to customer-centric view.

Banking sector is the building block of an economy and plays a pivotal role in the financial structure of any nation. It is the most crucial financial intermediary as it connects surplus and deficit economic agents. Moreover, with the advent of technological revolution, the banking today is redefined and Re-engineered to provide more sophisticated, innovative and cost-effective products to their customers such as RTGS,NEFT, CTS,IMPS, NACH,UPI, POS, PPI, Tele-banking, Mobile banking, Internet Banking, Core Banking Solutions, Electronic Fund transfers etc. With continuous product and process developments evolving rapidly, more products and services may soon become the order of the day. The arrival of computerized technology in Indian Banking scenario dates back to 1990's- the post- reform period. With the adoption of financial sector reforms as suggested

by Narasimham Committee, the banking sector has undergone major overhaul and several initiatives have been taken by the Reserve bank of India, the private players and the government to develop digital banking in India. Further, The Government of India enacted the Information Technology Act, 2000 to provide legal recognition to transactions occurring over electronic media and other forms of E-commerce. Following these efforts towards liberalization, many foreign banks were attracted to India, thereby opening up new markets and innovative products. Today, Internet banking has become the essence of the Banks, a strategic tool to transform banking business with a pool of banking services and products accessible 24\*7 to customers. This paper aims to analyze the current scenario of digital banking instruments as well as also focuses on the instrument is effective or widely used by customers. In this study we have cover top five banks of India which includes public as well as private sector banks. Instruments of digital banking which covered in this study area are NEFT, RTGS, ECS and Mobile Banking Transactions. The data collected through secondary source and analyze by statistical tool.

**Key Words:** Financial System, Digital Banking, Instruments, Public and Private Sector Banks, Banking System

## **INTRODUCTION**

Financial system in India is majorly dominated by banks, accounting for over 60% of the total assets. Before the adoption of liberalization, privatization and globalization policies by Indian government in 1990's, the banking sector sickened with lack of competition, low capital base, low productivity and high intermediation cost. There was negligible role of technology and poor quality of service. The thirst of the 1990's reforms was to create an efficient, stable and competitive financial sector by removal of structural bottlenecks, relaxation of restrictions to improve trade, more transparency, creating liquidity and efficient price discovery process, technological advancement, etc. in order to align the Indian standards with international best practices. Thus, Indian banking sector was exposed to the world market after financial sector reforms in 1991. Indian banking industry has observed tremendous growths due to sweeping fluctuations that are enchanting place in the information technology .According to an Industry report, it has the prospective to become

the 5th largest banking industry in the world by 2020. The last few decades have changed the face on banking industry. It began with computerization of a few core functions and departments in principal branches and progressed towards achieving 100% branch automation. Then there was arrival of network based operations which led to „interbank connectivity“. Furthermore, deployment of ATMs and the adoption of Core Banking Solutions brought about user friendly technology for customers who drastically transformed the way banking was done in India both by bankers and customers. The overwhelming innovations in the form of new delivery channels like internet banking, payments and settlement systems such as RTGS, NEFT, debit/credit cards issued by non-banking entities, mobile banking started gaining worldwide-wide popularity. India also became a member of the Basel Committee of Payment Settlement systems.

### **DIGITAL BANKING DEFINED**

What Digital Means in Banking’ – proposed a definition for the industry? Digital banking is: (Greer, 2015) said that delivering a customized but consistent FI brand experience to customers across all channels and points of interaction, underpinned by analytics and automation and requiring a change in the operating model, namely products and services, organization, culture, and skills and IT in order to deliver demonstrable and sustainable economic value.i

### **SCENARIO OF DIGITAL BANKING IN INDIA**

The world has changed and continues to change rapidly. The convergence of telecom, media and computing has changed the way we work, play and live. Going back in time, we first had the physical networks - roads, rail, electricity, and water. These networks connected cities and towns and were the life and blood of our economies. An analogy to these physical networks is the countless wireless networks. Wireless networks connect people, phone, tablets, etc. Radio and television networks relay music, video, news, etc. Telecom networks connect satellites and close geographies. Information networks now relay further content and knowledge. Mainly everything is becoming connected. Information is sinuous through networks with better intensity and changing the whole

thing. Markets are fading, becoming networks of info with the customer at the heart. Power has shifted to the customers, who behave as active elements of a network and not passive targets of a market.

This has created a greater segmentation of customers and a blurring of competition between traditional and non-traditional players. There has been a secular shift in technology mobility, analytics and profusion of media. The world has become flat. Geography is now only an issue of logistics. Volatility, uncertainty, complexity have made strategy, production, marketing and distribution tough. Traditional business models have been turned on their heads.....Welcome to the "Instant World"

## **REVIEW OF LITERATURE**

Agrawal & Jain (2013), “technological advancement in banking sector in India: challenges ahead” found that financial innovation in banking in India. The study also describes the benefits and challenges of innovative banking trends. The various innovations in banking and financial sector are ECS, RTGS, EFT, NEFT, ATM, and many more value added services. The major encouragement for financial innovation has been globalization of financial systems, deregulation, and great advances in technologies Banks boost technology investment spending strongly to address revenue, cost and competitiveness concerns. The purpose of their study was to analyze such effects of innovation in banking on growth and development of India.ii Dr. Agrawal(2017), “a comparative study of e-banking in public and private sectors banks” (with special reference to SBI and HDFC bank in Haridwar) studied how much e-banking used in Public and Private sectors bank? (In reference to SBI and HDFC bank) Objective of the study is to find out the consumer satisfaction in respect of e-banking and the observation of employees for using e-banking in Public and Private sectors banks. As this study analyze the working pattern comparison between Public and Private sectors banks in respect of SBI and HDFC bank. iiiTejinderpal Singh (2012) conducted a study on, internet banking: Content Analysis of selected Indian public and private sector banks’ online portal. Advancement in technology has played an important role in the distribution strategy of commercial banks. Banks distribute their products and services not only through a sole channel but instead through a variety of channels such as internet banking, automated teller machines, mobile banking, phone banking, TV banking

etc. Internet banking has attracted the considerable amount of interest of researchers in the recent times. Previously research studies had concentrated on the perception about online service quality, adoption of internet banking, impact of information technology in banking, etc. based on customers' opinion. However, on the other side, in depth analysis of bank's online portal without approaching the customers may also provide meaningful insight about the online portal especially when compared with other bank's online portals. The present study aims to compare the pre-login and after login feature of selected bank's online portal. For study purpose, two leading banks, one each from public and private sector were selected. A content analysis technique was used to study the listed feature of selected websites. Study found that selected bank's online portal differs on various feature such as account information, fund transfer, online request and general information. In the end study suggested to includes the good feature of other online portal which would help them to make their sites more secure, informative and user friendly.iv

## **OBJECTIVE OF STUDY**

- To know the difference between Private and Public sector with respect to digital transaction in NEFT, RTGS and Mobile Banking

## **HYPOTHESIS**

Hypothesis: 1

$H_0$  = There is no significant difference between private and public sector with respect to digital transaction happening in NEFT  $H_1$  = There is significant difference between private and public sector with respect to digital transaction happening in NEFT

Hypothesis: 2

$H_0$  = There is no significant difference between private and public sector with respect to digital transaction happening in RTGS  $H_1$  = There is significant difference between private and public sector with respect to digital transaction happening in RTGS

Hypothesis: 3

$H_0$  = There is no significant difference between private and public sector with respect to digital transaction happening in Mobile Banking

H1 = There is significant difference between private and public sector with respect to digital transaction happening in Mobile Banking

## **RESEARCH METHODOLOGY**

**Study Area:** The study cover banking industry as it is growing industries in India. The digitalization came in to banking industries to provide better and fast service to customers. Digital Banking can be experiential as adoption of many prevailing and emergent know-hows by the banks, in recital with linked changes in core operations as well as external associations for providing greater customer services and practices effectively and proficiently. In this study the digital instruments covered which are NEFT, RTGS and Mobile Banking.

**Data source and tools:** This Study includes secondary data only as it concerned with the service rendered by banking sector. The secondary data is to be collected from the RBI website. The volume of transactions has been taken for the study. **Sample framework:** Sample size and sampling method for this study mentioned below:

**Sample size:** this study covered private sector as well as public sector bank. Five banks are selected from each sector on the basis of market capitalization. In public sector study includes SBI, BOB, PNB, IDBI, CANARA and in private sector it includes HDFC, ICICI, AXIS, YES, KOTAK.

**Sampling Method:** The data is to be collected through stratified sampling. The data includes 2016 and 2017 data of each bank. In study the average of 2016 and 2017 is to be taken to get the proper result. The data of banks are merged as private as well as public sector.

**Statistical Tools:** This study is to be carried out with the statistical tool: Independent Samples t-Test for the analysis. In this study analysis has been done with the help of SPSS software.

## DATA ANALYSIS

- NEFT: T-Test

Group Statistics						
Banks	N	Mean	Std. Deviation	Std. Error Mean		
NEFT	Private 5	328395332.80	266454144.600		119161916.000	
Public	5	195459749.30	219764231.500		98281552.110	

### Independent Samples Test

Levene's Test for Equality of Variances t-test for Equality of Means								
95% Confidence Interval of the								
Sig. (2-	Mean	Std. Error	Difference					
F	Sig.	T	df	tailed) Difference	Difference	Lower	Upper	
NEFT	Equal variances			.097	.763	.861	8	.414
	132935583.500			154463023.800		-223256788.100		
	489127955.100							
	assumed							
	Equal variances not							
	132935583.500			154463023.800		.861	7.720	.415
	491385736.800					-225514569.800		
	assumed							

Interpretation: It is shown in the above mentioned table, significant level (2 – tailed) is greater than the 0.05 at the level of 95% significant level of confidence. So, it can be found that null hypothesis is failed to reject in this study.

RTGS:

T-Test						
Group Statistics						
Banks	N	Mean	Std. Deviation	Std. Error Mean		
RTGS	Private	5	15400471.60	11897379.330	5320669.785	
Public	5	12171838.40	10469621.590	4682157.114		

#### Independent Samples Test

Levene's Test for Equality of Variances t-test for Equality of Means						
95% Confidence Interval of the						
Sig. (2-	Mean	Std. Error	Difference			
F	Sig.	t	df	tailed)	Difference	Difference
	Lower	Upper				
RTGS	Equal variances		.015	.904	.456	8 .661
	3228633.200	7087462.325		-13115084.230		19572350.630
	assumed					

Equal variances not assumed	.456	7.873	.661
3228633.200	7087462.325	-13161190.400	19618456.800
assumed			

Interpretation: It is found in the above mentioned table, significant level (2 – tailed) is greater than the 0.05 at the level of 95% significant level of confidence. So, it can be found that null hypothesis is failed to reject in this study.

#### Mobile Banking:

T-Test						
Group Statistics						
	Banks	N	Mean	Std. Deviation	Std. Error Mean	
Mobile Banking	Private	5	164561584.20	140892593.200		
		63009083.160				
Public	5	61707740.60	107938974.600		48271776.920	

#### Independent Samples Test

Levene's Test for Equality of Variances t-test for Equality of Means						
95% Confidence Interval of the						
Sig. (2-	Mean	Std. Error	Difference			
F	Sig.	t	df	tailed)	Difference	Difference
Mobile Equal variances	.536	.485	1.296	8	.231	102853843.600
79374485.880			-80184049.060		285891736.300	
Banking	assumed					
Equal variances			1.296	7.492	.234	102853843.600
79374485.880			-82365437.400		288073124.600	
not assumed						

Interpretation: It is found in the above mentioned table, significant level (2 – tailed) is greater than the 0.05 at the level of 95% significant level of confidence. So, it can be found that null hypothesis is failed to reject in this study.

#### Conclusion

After the study it can be concluded that there is no difference between the private as well as public sector for digital transaction. In this study it can be found that private and public sector have similar type of service and charges so there volume of transactions had not been differed. I can conclude that private and public sector bank can take more step regarding the security because customer have same preference for that. As in past there had been certain frauds occurred in to the bank like ICICI, PNB and SBI etc. So customer needs security from the cyber-crime and data security. If both the sector comes with the new strategy and technology which escape the customer from the scandal then we can say that there will be difference in the digital banking transaction. It is also found that customer behave is indifference on the basis of sector as public sector bank is not taking the steps against the scandal and customer is not thinking that now a days public sector digitalization is safer than the private sector. It can be also say that the charges charged and facility provided by both the sector as there is no difference between volumes of transaction. So it can be said that if they want to lead than they have to give leading facility at the best rate. The main limitation of this study is sample size as banks are selected on the basis of market capitalization and another limit is data is taken from RBI website so study is based on secondary data.

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