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(FORMERLY NATIONAL INSTITUTE OF MANAGEMENT CALCUTTA)

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Guidelines to Authors:

1. A research submission should consist of have the following sections (without numbering):

- a. Abstract including 3 Key Words
- b. Introduction
- c. Objective(s) of Paper
- d. Methodology of Research
- e. Scope of paper & limitations
- f. Analysis
- g. Findings
- h. Conclusions
- i. Recommendations
- j. References
- k. Appendices (if any)
- l. Glossary (if required)

2. The paper/ article/ any other submission must be in MS Word, Font Arial, Size 12 only

3. Tables, Graphs, Illustrations may be inserted with appropriate referencing.

4. Citations must be complete and in APA style of references (using **"References" option of MS-Word**).

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THE JOURNAL OF ARMY INSTITUTE OF MANAGEMENT KOLKATA (FORMERLY NATIONAL INSTITUTE OF MANAGEMENT CALCUTTA)

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	Page No.
A Case study on Brand Preference of Cement with respect to Urban Vs. Metropolitan City In West Bengal — <i>Amit Kumar Das</i>	7–17
A Study on Effectiveness of Training Programme in Service Sector : A Conceptual framework of Oil and Gas Industry, West Bengal — <i>Saroda Chatterjee</i>	18–28
Analyzing the Customer's Attitude towards Online Cab Booking Services in Kolkata — <i>Dr. Namrata Maheshwari</i>	29–39
Case Study on CSR practices in top three Indian Nationalized Banks — <i>Priyanka Saha</i>	40–56
Change and Conflict Management — <i>Munmun Goswami</i>	57–64
Entrepreneurship – Its Monitoring Evolvement and Success — <i>Dwijadas Bandyopadhyay</i>	65–72
ICT Adoption: An Agenda for Research — <i>Dr. Ashish Gupta</i>	73–88
Impact of factors associated with eHealthcare behavior — <i>Priti Thakur, Dr. Archana Sharma</i>	89–96
The Impacts of Word of Mouth Communication On Management Students' Attitudes toward the Welfare of Natural Environment : A CSR Perspective — <i>Sohini Datta</i>	97–108
Discussion Paper on rising NPAs in Indian Scheduled Commercial Banks : Causes & Consequences — <i>Sunil B. Kapadia</i>	109–118
Perception of Passengers towards Service Quality of Air Lines: A Case Study of Air India — <i>Dr. Jai Prakash Yadav</i>	119–136
Analysis of Sustainable Development Goals in the context of Human Development Approach — <i>Arundhati Bhattacharya</i>	137–156
Signifiers of Sensitization in the Context of Workforce Diversity - An Observation — <i>Swati Basu</i>	157–165
Values and Ethics in Industry — <i>Ashesava Mazumdar</i>	166–169
Role of personality in shaping attitude towards Clean India Mission: A Case Study of Kolkata (India) — <i>Dr. Abhijit Pandit and Dr. Rita Karmakar</i>	170–188
Motivational Factors affecting teachers' Performances in Private Engineering Colleges- A Case Study of Two Engineering Colleges in Howrah — <i>Monita Mitra</i>	189–198

	Page No.
Impact of Demonetization on Foreign Capital Flow: An Empirical Study — <i>Dipanjan Basu Sukanta Kundu</i>	199–204
GST Simplified : Taxes shouldn't be taxing — <i>Prof. Surajit Malakar, Dr. Ravi Chatterjee, Prof. Abhishek Bhattacharjee</i>	205–218
To study the factors impacting Social Entrepreneurship: an Indian Perspective — <i>Dr. Moumita Poddar</i>	219–227
Challenges and Opportunities of Rural Marketing : A Study of Bankura District, West Bengal — <i>Saroda Chatterjee</i>	228–249
Impact of Pre Hire Orientation (PHO) on the Quality of Campus Placement: A study on BPS/BPO Industry's Service Quality Perspectives — <i>Amitabha Gupta, Dr. Arup Kumar Baksi</i>	250–258
Microfinance and Rural Credit Access to the Poor : Exploring the Possibilities and Challenges — <i>Uzma Khan, Zeba Farheen, Sreemoyee Guha Roy</i>	259–280
The Role of Social Media in Employer & Employee Branding – A Descriptive Study of Micro, Small & Medium (MSME) IT Organizations in India — <i>Partha Das Biswas, Dr. Sandeep Ray Chaudhuri</i>	281–290
An Analysis of the Twin Pillars of the Banking in India : Financial Literacy and Financial Inclusion — <i>Tarun Agarwal</i>	291–302
Selection Preferences of Two-Wheeler-Scooter Purchasers in West Bengal — <i>Dr. Debasish Biswas, Dr. Arunangshu Giri</i>	303–315
An Empirical Analysis and Inter Sectoral Comparison of Non-Performing Assets In India — <i>Dr. Soheli Ghose, Suyash Luhariwala</i>	316–337
Disclosures in BR Report of Listed Indian Companies — <i>Alok Kumar</i>	338–361
Does a corporate governance aspect matter for Business Responsibility Reporting readability? — <i>Twinkle Prusty, Alok Kumar</i>	362–376

Editor's Note

In the fall of 1995, French-born Pierre Omidyar attempted to auction a broken laser pointer at The AuctionWeb, which was a part of a larger personal site. Surprisingly, the “offending” item sold at \$14.83. Pierre Omidyar contacted the buyer to warn him that the laser pointer is broken. The buyer replied that he was a collector of broken laser pointers! The humble AuctionWeb grew in traffic and metamorphosized into eBay which is now is a multibillion-dollar business with operations in more than 30 countries. EBay is also a publicly visible market and researchers use it to study consumer behaviour and auction formats. A data driven company, its big data management processes excess of 50 petabytes of data per day, underlying yet again, the importance of research in the development of an organization and its habitat.

(<https://en.wikipedia.org/wiki/EBay>) , (<https://www.entrepreneur.com/article/243099>)

Research is a systematic and structured search for information. Its scope and contribution, both, can never be over emphasized. Here, Kindler, in its own way, contributes just a few “significant” drops at a time to this vast ocean of growing knowledge. This combined issue of Volume XVIII has some regular submissions and also has a large part of the research presented at the National Conference on Contemporary Management (NCCMP) 2018 at the Army Institute of Management.

I do hope that the Kindler January-December 2018 issue enlightens and also generates adequate curiosity in the minds of its readers.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a diagonal stroke, with the name '(Swapna Datta Khan)' written below it in a cursive script.

Dr (Capt) Swapna Datta Khan

NOTE FROM ASSOCIATE EDITOR, KINDLER

As a bi-annual journal, Kindler provides a scope for researchers across the globe to share their research inputs. The journal aims at covering vast domain of interdisciplinary studies with an objective to attract thoughtful scholarship that is of relevance to corporate, academic and society at large. The NCCMP 2018 special issues covers articles that are conceptual, theoretical and empirical and covers general management, marketing, finance, economics, business accounting, quality, human resource management, IT, diversity, sustainable development to name a few. The papers selected have undergone a strict double blind peer review process. I wish all contributors and readers a very rich and rewarding experience.



Dr. Ayan Chattopadhyay
Associate Professor (Marketing)
Convener - NCCMP 2018 &
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A Case study on Brand Preference of Cement with respect to Urban Vs. Metropolitan City In West Bengal

Amit Kumar Das*

ABSTRACT

India is the second largest producer of Cement in the world. Cement industry plays a vital role of Indian economic system providing employment to more than a million people, directly or indirectly. Today Indian cement industry has attracted huge investment both from Indian and foreign investors.

The present paper is an attempt to understand the various attributes that contribute to the brand and its buying behaviour of ultimate customers in case of cement industry in India. In Indian economy contribution of construction is 7.88%. Cement Industry plays a vital role in construction sector, there is no better available substitute of cement. For this research paper we have only considered Housing sector apart from commercial use. To find out most important factors behind choosing a particular brand of cement is a prime objective of my study. Through statistical technique - Factor analysis has been used for this study.

As per choice and preferences of respondents top four Brand has been selected- Acc, Ambuja, Ultratech, Lafarge (Nuvoco). Few factors have been selected behind choice and preferences of cement- Affordability of Product, Acceptability & Awareness.

Keywords: *Cement Industry, Buying Behaviour, Housing Sector*

INTRODUCTION

India is the second largest producer of Cement in the world. Cement industry play a vital role of Indian economic system providing employment to more than a million people, directly or indirectly. Today Indian cement industry has attracted huge investment both from Indian and foreign investors.

Indian economy is classified in three sectors i.e. Agriculture & Allied, Industry and Service. Agriculture sector includes Agriculture (Agriculture proper & Livestock), Forestry & Logging, Fishing and related activities. Industry includes 'Mining & quarrying', Manufacturing (Registered & Unregistered), Electricity, Gas, Water supply, and Construction. Services sector includes 'Trade, hotels, transport, communication and

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services related to broadcasting', 'Financial, real estate', 'Public Administration, defense and other services'. Industry sector is second largest sector in India. Where contribution of construction is 7.88% (Just after Manufacturing 17.98%). (Source: *Statistic times.com*). In India Construction has accounted for around 40 per cent of the development investment during the past 50 years. Around 16 per cent of the nation's working population depends on construction for its livelihood. The Indian construction industry employs over 30 million people and creates assets worth over 1 200 billion (Source: *Construction industry of India*). Expecting developments in the country and aided by suitable government foreign policies, several foreign players such as Lafarge-Holcim, Heidelberg Cement, and they have invested in the country in the recent past. A significant factor which aids the growth of this sector is the ready availability of the raw materials for making cement, such as limestone and coal.

The industry is currently producing 280 MT for meetings its domestic demand and 5 MT for exports requirement. The country's per capita consumption stands at around 225 kg. The Indian cement industry is dominated by a few companies. The top 20 cement companies account for almost 70% of the total cement production of the country. The Cement Corporation of India (CCI) was incorporated by the Government of India in 1965 to achieve self-sufficiency in cement production in the country. Currently, CCI has 10 units spread over eight states in India. (Source: *India brand equity foundation, ibef.org*)

The eastern states of India are new and virgin market of Cement Company, so the scope is high of marketing. In next 10 years it can happen that India could become the main exporter of grey cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for exports and will logistically be well armed to face stiff competition from cement plants in the interior of the country. Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 Million Tones by the year 2025. (Source: *IBEF foundation*)

This research study is basically based on housing sector. 'Housing for all mission by 2022', Prime minister has announced earlier. Central grant of Rs. 1 lakh per house, on an average, will be available under the slum rehabilitation programme. A State Government would have flexibility in deploying this slum rehabilitation grant to any slum rehabilitation project taken for development using land as a resource for providing houses to slum dwellers. With help from the government in terms of friendlier laws, lower taxation, and increased infrastructure spending, the sector will grow and take India's economy forward along with it. (Source: *Indiatimes.com*)

LITERATURE REVIEW

According to Leon G. Schiffman and Emeritus Professor of Marketing Mr. Leslie Lazar Kanuk from City University of New York in year 2004. Models of Consumers: Four Views of Consumer Decision Making. The term modes of consumers refers to a general view of perspective as to how (and why) individuals behave as they do. *Models of consumers in terms of the following four views:*

In the field of theoretical economics, which portrays a world of perfect competition, the consumer has often been characterized as making rational decisions. In this study consumer's choice and preferences depends upon those thought, which helps to understand the motive of respondents. As per passive view that depicts the consumers as basically submissive to the self- serving interests and promotional efforts of marketers and they are perceived as impulsive and irrational purchasers ready to yield to the aims and into the arms of marketers.

Cognitive model portrays the consumer as a thinking problem solver. Within this framework consumers frequently are pictured as either receptive to or actively searching for products and services that fulfill their needs and enrich their lives. The cognitive model focuses on the processes by which consumers seek and evaluate information about selected brands and retail outlets. Although long aware of the emotional or impulsive models of consumer decision making marketers frequently prefer to think of consumer in terms of either economic or passive models in reality. However, each of us is likely to associate deep feelings or emotion, such as joy, fear, love hope, sexuality, fantasy an even a little "magic" with certain purchases or possessions

According to Mr. SauravSaha,-TO INCREASE BRAND AWARENESS AND MARKET SHARE OF ACC CEMENT THROUGH CUSTOMER SUPPORT SERVICES from University of Calcutta in the year of 2004-2005.

BRIEF NARRATION OF THE PROJECT

"Always put the Customer First, and then when time comes to buy, the customer will put you first".

The main objectives of the study / project are –

- Ways of improving Brand Awareness of ACC.
- Analyze the consumer mind space and suggest ways of increasing the mind share followed by market share.
- Determine the distribution and operating efficiency of the channel.

This study will give a feedback to the company regarding opportunity, which comes along with such events for building up brand image and brand preference. At the same time, the analysis will help to chalk out plans to increase sales in near future, more effectively. The findings and suggestions may help the company in developing suitable promotional strategies to compete with competitors.

As per Md. Rahem Ebrahim from Brunel University West London, A study of Brand preference – An Experiential view,,: the experiential view in studying the relationship between brand experience and brand preference. It will identify how brand experiences can build consumer's preferences toward certain brands directly or indirectly by affecting the brand associations and brand personality. Difference between traditional and experiential view has been made and a conceptual framework has been made through following attributes:

Brand experience is the subjective internal consumer responses and behaviour evoked by brand related stimuli that are a part of a brand's design and identity, packaging,

communications and environments. Brand associations are the information, such as brand attributes and benefits linked to the node in memory (Keller, 1998). According to the human associative theory (HAM), brand associations can be formed through direct and indirect experiences. Brand personality refers to a set of human characteristics associated with a brand (Aaker, 1997), it is about humanizing the brand.

OBJECTIVE: *To study what are the factors that influence (consumer preference) to a particular brand of cement.*

METHODOLOGY OF RESEARCH

Sample frame

Exploratory research methodology will be followed to compare consumers choice and preferences with respect to Urban and Metropolitan city in West Bengal. All places with a municipality, corporation, cantonment board or notified town area committee are called urban area. A Metropolitan city must consist of at least a statutory town and its total population (i.e. all the constituents put together) should not be less than 20,000.

Sample size

Convenient sampling method has been used and depending upon variables sample size has been targeted 90 in both areas. Survey process should be followed within selective zones.

Data collection method

This research requires both primary and secondary data. For the purpose of primary data collection a structured questionnaire has been made and branded company's annual report is requiring for betterment of the study as secondary data. In west Bengal six districts has been selected as per population density.

- North 24 Parganas
- Howrah
- Hooghly
- Kolkata
- Bakura
- Purulia

Where 'Bakura and Purulia' with lowest population density and Rural population is very high than other districts has considered as Rural sector. Kolkata with highest population density and maximum urban population has been selected as Metropolitan area. Remaining three district with medium population density and major urban population has selected as Urban sector According to respondents preferences Brand will be selected to collect secondary data.

Data analysis method

- Exploratory research methodology will be followed to compare choice & preference of consumers by few statistical techniques like
- Factor analysis
- Graphical techniques

Data analysis and Interpretation

As per population density, district selection procedure has been formed. It is known that Kolkata is a Metropolitan City with highest population density i.e. 24306 sq/km. Howrah, North 24 Parganas and Hooghly district with medium population density respectively 3306 Sq/km, 2445sq/km and 1753 Sq/km, and Urban population is comparatively high, considered as Urban area and with lowest population density and Highest Rural population Bakura (523 sq/km) and Purulia (468 sq/km) considered at Rural area.

Brand preference of Cement by respondents

Brand	Consumed by respondents	Rural	Urban & Metro
Acc	27	4.26	95.74
Ambuja	27	4.5	95.50
Lafarge	9	2.92	97.08
Ultratech	12	0.68	99.32
Others	15		
Total	90		

Total sample size for the research is 90. Out of that, 30 from Metropolitan city, 30 from Rural sector and 30 from Urban sector. From the above table, 30% of respondents like Acc, another 30% respondents prefer Ambuja, whereas Ultratech, Nuvoco and other cement preferred by respondents respectively 13%, 10% and 17%.

Consumption Level

Name	Sales Volume per Month				Rural %	Urban %	Metro %
	Rural	Urban	Metropolitan	Total			
Acc (Bags)	800	18000	0	18800	4.26	95.74	0
Ambuja (Bags)	3200	30820	37020	71040	4.50	43.38	52.11
Bangur (Bags)	2000	0	0	2000	100.00	0.00	0.00
Bharat Super (Bags)	100	0	0	100	100.00	0.00	0.00
Birla (Bags)	200	600	0	800	25.00	75.00	0.00
JSW (Bags)	0	0	0	0	0.00	0.00	0.00

Durgapur (Bags)	0	100	0	100	0.00	100.00	0.00
Konark (Bags)	300	0	0	300	100.00	0.00	0.00
Lafarge (Bags)	500	16100	540	17140	2.92	93.93	3.15
Ramco (Bags)	0	1400	1200	2600	0.00	53.85	46.15
Reshmi (Bags)	0	0	0	0	0.00	0.00	0.00
Star (Bags)	600	0	0	600	100.00	0.00	0.00
Ultratech (Bags)	500	40500	32200	73200	0.68	55.33	43.99
Emami (Bags)	0	100	0	100	0.00	100.00	0.00
Bansal (Bags)	0	4000	0	4000	0.00	100.00	0.00
Total	8200	111620	70960				
%	4.30%	58.51%	37.19%				

From the above table it can be concluded that 30% of respondents prefer Acc and out of that 95.74% are from urban sector, whereas only 4.26% from Rural sector. Similarly for Ambuja 95.50% are from urban and 4.5% are from Rural sector. For Lafarge(Nuvoco) 97.8% respondents are from urban sector and 2.92% from Rural sector and for Ultratech Maximum respondents are from Urban sector i.e. 99.32% and rest from Rural sector. So, on an average it can be said that below 4% of respondents are from Rural sector which is insignificant for this study. It will be better if we keep focus on rest part 96% as 100%, so that scope of the study will be much higher.

Sales volume of Cement

As per the response of retail shop and dealers sales volume of cement in Urban and Metropolitan city is respectively 5581 MT.(58.51%) and 3548 MT.(37.19%). Whereas in rural sector only 410 MT. (4.30%). In that case, if sales volume is low, then consumption level is also minimum. If consumption level is minimum, then the choice and preferences of cement in rural sector automatically less than urban and metropolitan city. That is the reason this case study is based on Urban and Metropolitan city, where scope of study is much higher.

Factor analysis:

From the correlation matrix it has been found that each seven factors are how much associated with another factors. For factor analysis, major interpretation can be made through below tables.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.627
Bartlett's Test of Sphericity	Approx. Chi-Square
	57.883
	Df
	21
	Sig.
	.000

The KMO and Bartlett's test table displays the result for interpreting the adequacy of data for factor analysis. Kaiser-Meyer-Olkin (KMO) is a measure of sampling adequacy and its value should be greater than 0.6 for our sample to be adequate for undertaking factor analysis. In the other hand the p-value of Bartlett's test of Sphericity should be less than 0.05. From the above table the value of KMO test is 0.627 (higher than 0.6) and p-value of Bartlett's test of Sphericity is .000 (less than 0.005), factor analysis can be undertaken using this dataset.

Communalities

	Initial	Extraction
QUALITY	1.000	.615
PACKAGE	1.000	.453
PRICE	1.000	.494
AVAILABILITY	1.000	.581
ADVERTISE	1.000	.740
PROMOTION	1.000	.856
BRAND_EXP	1.000	.523

Extraction Method: Principal Component Analysis.

The Communalities table is divided in two parts initial communalities and Extraction communalities. Initial communalities table shows the involvement of each variable in the factor analysis. Initial communalities of each variable mentioned as 1.000, means the involvement of that variable in the factor analysis is 100%.

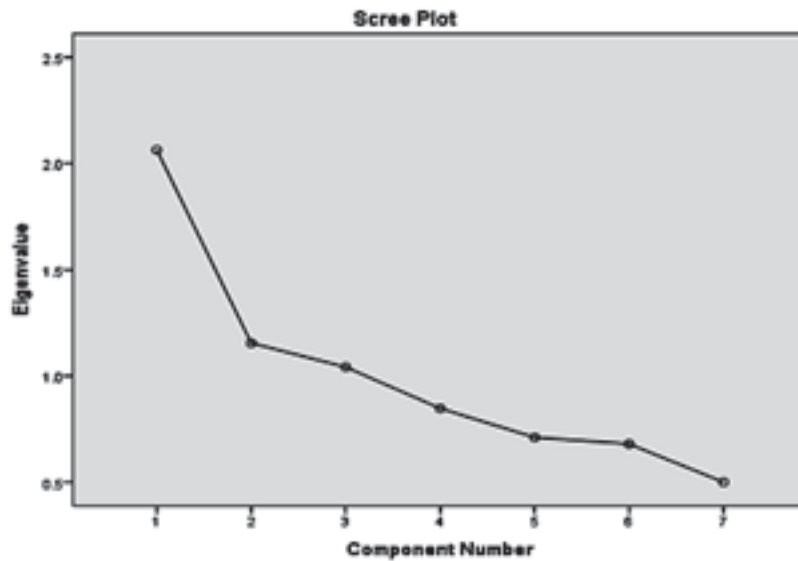
Extraction Communalities indicate the proportion of variation in the variable that is accounted for by the factors whose Eigen values are greater than 1. That means how much variation in the variable is explained by the Factors.

The total Variance explained table of our analysis is presented below, that shows how many factors are taken into consideration.

Total Variance explained table is divided in two parts. The first part "Initial Eigenvalue" Eigen Values are helpful in determining the number of factors. Components whose Eigen Value is greater than 1 is considered as Factor.

The second part "Extraction Sums of Squared Loadings" list the components whose Eigen Value is greater than one and their respective variances. It also explains the % of total variance explained by all the factors. All the factors should contribute at least 50% of the total variance explained.

In the "Total Variance Explained Table" we have found out 3 factors whose Eigen value is greater than one. And almost 60% of the total variability in dependent variable (Brand Preferences) is explained by the factors.



Scree Plot is the graphical representation of Eigen Values against the number of factor. Scree plot help us to determine the number of factors to be retained for factor analysis. We consider those factors which appear before the scree begins. The Scree Plot tells us that till the second factor the fall is very sharp then the slope of the curve levels out. Hence the top two factors will have the strongest influence on Brand Preferences.

Rotated Component Matrix^a

	Component		
	1	2	3
QUALITY	-.011	.777	.108
PACKAGE	.162	.624	-.193
PRICE	.608	.235	-.262
AVAILABILITY	.715	.263	-.022
ADVERTISE	.754	-.140	.390
PROMOTION	-.005	.107	.919
BRAND_EXP	.271	.627	.238

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Rotated component matrix is the heart of the factor analysis. It serves as a basis for identifying which variables are loaded with which factors. Variables with high loading will have significant impact on the dependent variable.

It also helps us to assign a name to each factor depending on the characteristics of variables whose loading is very strong. From the above chart we can find out those variables which have loading above 0.6 is considered to have significant weightage on the factor and thus also influencing the dependent variable as well.

List of the variables where loading is > than 0.6

1. Affordability of Product
2. Acceptability
3. Awareness

Demographic details of respondents

- ✓ Out of total 90 respondents 44.44% are Businessman, 24.44% are Serviceman, 4.444% are self-employed, 10% retired people and 16.67% are related with other activities.
- ✓ As per age group of respondents out of 90 people 7.78% are in between 18yr. to 25yr, 27.78% are 26yr. to 35yr, 25.56% people are in between 36yr. to 45yr, 22.22% are 46yr. to 55yr, 10% are in between 56yr. to 65yr. and 6.67% people are above 66years.
- ✓ Out of total 90 respondents 87.78% are male and 12.22% are from female category.
- ✓ Out of total 90 respondents 8.889% have professional degree, 33.33% have Graduation degree, 17.78% people are higher secondary passed and 40% people are Secondary passed.

FINDINGS AND CONCLUSION

Findings

- I. Six districts has been selected in West Bengal as per population density and population
- II. Consumption level of cement is very much higher than Rural area in Urban and Metropolitan city
- III. Supply volume is also less than Urban area in Rural area
- IV. During the time of data collection it has found that price of cement in Rural area is much higher than urban area due to transportation cost
- V. From the data analysis it has found that Availability, Price, Quality, Packaging, Brand Experience, Advertisement and Promotional offer are the most influential factors to prefer a brand.
- VI. According to data analysis choice and preferences are different in different geographical location.

Conclusion

As per research it can be concluded that consumers' choice and preferences are likely high in Urban and Metropolitan city. Because from my above analysis it has found that

scope of this study is high on above mentioned area because of consumption level. Where consumption level is below 4%, there Brand preferences cannot be higher. So comparatively scope of my study is higher in Urban and Metropolitan city than Rural area.

As per choice and preferences, top four brand has been selected are as follows:

- ❖ ACC
- ❖ AMBUJA
- ❖ LAFARGE (Nuvoco)
- ❖ ULTRATECH

Through factor analysis a conclusion should be made that out of seven major factors of my study, it has been reduced by only three factors as follows:

- I. Affordability of Product
- II. Acceptability
- III. Awareness

RECOMMENDATIONS

As Acc&Ambujacement is the market challenger can boost their market share and sales volume through effective marketing strategy.

- ✓ In India still now more than 60% is under rural population and those area are developing area, many mini plant has grown up to grab the market with lower price. The challenger can attack the market leader with such strategy like gaining a substantial competitive advantage over the leaders through cost advantage, leading to lower prices on , ability to provide better value at premium price.
- ✓ If those company take initiative to make plant at rural sector, their purpose can be solved to boost market share and unemployment level may be reduced.
- ✓ Those companies must enter into new distribution channel by targeting big dealers and their potential sub-dealers market.
PLANT→W/H→AREA WISE DITRIBUTORS / SUPERSTOCKISTS→DEALERS / SUB - DEALERS.
- ✓ Since rural customer think reasonable price as the most influencing factor in purchasing decision, the company should make the price reasonable in the customers' mind. So that the price, they are paying for particular cement is reasonable in their perception, compared to the features of cements that the company is offering to the customers.

LIMITATION OF THE STUDY

1. The survey could not be conducted full-fledged as sample size is not sufficient.
2. Time constrains owing to the academic process.
3. The technical method used to analyze the data [viz. Factor analyse] have their own limitations that may have also seeped into the study.
4. Better result may come if sample size get increase.

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A Study on Effectiveness of Training Programme in Service Sector: A Conceptual framework of Oil and Gas Industry, West Bengal

Saroda Chatterjee*

ABSTRACT

With advancement in technology & spread of business on a global scale, it has become indispensable for organizations to focus on training that furnishes them to meet global challenge. The diversities that are ever increasing at the workplace further necessitate employees to be well trained for fostering improved performances. This study primarily focuses on the training programmes that are conducted for the employees of Eastern Region relating to their functional, behavioural and attitudinal change and for their overall development. 145 sample size chosen randomly from trainees and executives for a detail feedback about the training strategies of the selected service sector. Dynamic and growth-oriented organizations recognize training as an important aspect of the managerial function in a rapidly changing economic and social environment. Oil and Gas Industry needs to have well-trained and experienced personnel to perform the activities that have to be done. The analysis of any training problem begins with the statement of training needs. A need for performance deficiency is the difference between actual performance and the desired performance. The actual performance of individual may be illustrated as $PC+P$. Where 'PC' = Present capacities of individual, 'P' = Potential of the individual. The desired performance of the same individual can be analysed in training and illustrated as $P1C1+P$.

Keywords: Training strategies, Development, Actual Performance, Desired Performance

THE RATIONALE BEHIND THE SURVEY

The Focus Statement

In framing the Focus Statement, **Sri. B.M.Bansal, Chairman**, IOCL, "Have trust in people and you can trust them to do well in business..."

INTRODUCTION

The core area of Man Management or Human Resource Management is to effectively deal with its key assets that are the employees of any organisation. Earlier the ply of every company was only resource seeking but now it also adds efficiency seeking in its group. So the umbrella of HRM embraces the most effective dealing with manpower, by putting the right person at right place and at right time. Hence this aspect leads to a healthy study of training programme in service sector particularly Oil and Gas industry

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of West Bengal. The essential prerequisite of all public sector and private sector organization is to have well trained and knowledgeable personnel to execute the given accomplishments that have to be done. If current or potential occupants can meet these requirements, Training is not important. On the other hand, if this is not the case, it is necessary to raise the skill levels and increase the versatility and adoptability of the employees. Moreover, employees are the internal assets of an organization. Training presents a prime opportunity to expand the knowledge base of all employees so that they can relate those training with their workplace and give their best performance achieving company goals. Knowledge and skills development is vital to the health of organizations. Today in this digitalised world organizations are consistently prized not just on their physical but on their intellectual capital.

Training is one of the chief methods of preserving and improving intellectual capital, so the quality of an organization's training affects its value. The impact of training affects employee retention and other valuable assets. Company personnel engage in training programs can miss out several working aspects as much time they spend in training which pose to be a serious problem. In spite of several dormant hitches, training delivers both the organisation and the individual with doles that make the cost and time a worthwhile investment. The above study is concentrated at Indian Oil Company Limited (IOCL) and Bharat Petroleum (BPCL) of Kolkata. The essence of the study is the different training programs and to give a comparative structure about those organizations' training effectiveness. In the paper all the information is congregated regarding the company's various HR practices, with some descriptive analysis and valuable conclusion.

CONTEXT

Indian Oil Corporation Ltd is India's largest commercial enterprise. Moreover Indian Oil stands tall amidst top 50 PSUs in India. Building human competence and motivated workforce through training has been identified as one of the areas of greatest strength in Indian Oil. A pool of sound experienced and talented experts train the personnel of Indian Oil in different divisions like Refining, Marketing, Transportation, Research & Development and overall Management. All the faculties are experts in their respective fields with great deal of academic excellence and long years of hands-on experience in the field. Indian Oil maintains a series of 19 training hubs spread across the country with Indian Oil Institute of Petroleum Management (IIPM) located near New Delhi as the nodal centre, which continuously modernises the knowledge and talent of all its employees. The training centers are located at its refineries, Divisional Head Offices & regional offices of Marketing and Pipelines Divisions. Training may also be requested at any of Indian Oil's training centres for selected courses conducted at the refineries. Both on-the job and off-the-job training facilities are designed for creating a healthy training architecture. Other types of training conducted at IOCL are Women Development Training, Hindi Training, Probationary Officer's Training, Induction Training and Officer's Trainees Training.

Training Program Framework

The program framework is the logistical shell of the training program. Often,

inexperienced training managers jump to “deciding on content” before the framework has been decided.

TRAINING BUDGET FOR LAST 5 YEARS OF IOCL	
YEAR	AMOUNT(Rs.)
2012-13	19,19,719
2013-14	14,35,887
2014-15	31,62,803
2015-16	37,10,578
2016-17	37,23,266

Figure 1

How the program is evaluated and which training metrics will be measured is the next step in the development process. An annual review of the training program is another important part of the program design as it will ensure that the content remains fresh and relevant. A carefully planned training program will meet learning objectives and provide evidence through training metrics that the program is meeting the needs of the organization and the participants.

The study also embraces the essence of another leading oil and gas industry of west Bengal which is BPCL, ranked 242 in Fortune 500 global rankings in 2014. The organization aims at supplying purest oil in India by virtue of using its own highly developed refineries. The most important product is Bharat Gas. Like every other Oil & Gas Company it also includes a sound architecture and healthy process to achieve organizational goals. With a five year dream plan it commenced its HR Practices by taking various initiatives to improve training and development process, which are tabulated in the form of Balanced Score Cards (BSC) and are monitored from time to time. To keep pace with global dynamism the senior leaders including HR leaders have been trained and certified in performance counseling techniques that are in line with the global trends which focus that BPCL create a cohesive work culture that supports and boosts the performance of the personnel's. Feedbacks are collected based on dipstick surveys and discussion forums. Systematic appraisals are geared toward identifying, rewarding and encouraging employees who outshine. In addition with it, at Bharat Petroleum, training needs are identified and earmarked and employee goals are also streamlined to promote career growth. One of the most vital aspect is Performance targets, vital for the organization manpower and the organization is also clearly identified and worked on.

Both of the organization has full-fledged Corporate Training Department, to augment the learning and development requirements of its officers.

OBJECTIVES

The Primary Objective is to develop and introduce an innovative method of designing the Architecture for Training Programme of Oil and Gas Industry. The Architecture so developed will be in consonance with the existing Training Programme that will be usable, sustainable and will help aid to tincture the existing Programmes presently in use. It will maintain and be part of the minimum quality standard for Human Resource Management in any large Public Sector Organization.

The secondary objective is to learn and understand the crucial issues included in Training Programmes, Methodology and Operations.

LITERATURE REVIEW

Malhotra & Dubey (2017) pointed out that Outbound Training being an innovative training concept in recent market trends bridges the gap between the industry requirements and academics. The paper identifies the study of the prerequisite factors essential for a successful OBT operation, which may lead to attainment of training objectives. Srimannarayana (2017) attempt to explore training evaluation practices in India due to increasing demand of training in all parts of the world.

Davar & Parti (2013) says that the present meta-analysis indicates that the training provided to employees does have a significant effect on productivity and it affects productivity across the board.

Stromme (2013) had indicate that Training plays an important role in protecting workers from various hazards. So effective safety and health training is needed for the employees (including contract workers) to identify the hazards & precaution against them. With the advancement of Oil and Gas industry the need for workers also rising & as a result new workers are hired for whom necessary preparation and training needs should be provided so that these workers are educated on the safe work practices associated with drilling and servicing a well. At the same time, experienced oil and gas workers should not be overlooked. Khan, Khan & Khan (2011) brings out that Training and Development, On the Job Training, Training Design and Delivery style are four attributes the focus is to understand the positive effect of these training attributes on Organizational performance by creating a sound environment of training. Kumar & Ramachandran (2011) emphasises on the training and development program given by the Oil-Mills in Coimbatore District by adopting Tippets table. It also highlights the impetus of the training and development programme to improve the morale of the workers and productivity of oil mills at Coimbatore.

Truitt (2011) suggested that it is mandatory on training and development professionals to design, implement, and evaluate the effectiveness of their programs in reducing disputes in workplace performance. It also reconnoitres the relationships between training experiences and attitudes and attitudes about perceived job proficiency. Kirwan & Birchall (2006) pointed out that a model solely “describes a sequence of influence on outcome occurring in a single learning experience and does not demonstrate any feedback loops”.

RESEARCH METHODOLOGY

The study will be a combination of both qualitative and quantitative approach.

Population: Different Oil & Gas Sectors (Public) in West Bengal

Sampling Method: Simple Random Sampling

Sample Size: 145

Surveys: In the kind of literature in hand, particularly as it concerns HR concerns, Personal **Survey Method:** It is based on personal interviews has been selected. Personal Interviews have been selected because in such surveys detailed information can be collected.

Structuring of Questionnaire and type of Questions: The questionnaire will be structured carefully to elicit both facts and attitude and opinions of the respondents. For this purpose, a mix of open-ended questions (on a scale of preference), dichotomous questions, and multiple choices of questions have been framed. Leading questions have been avoided, so as to make respondent easy to handle and receive the most honest answer.

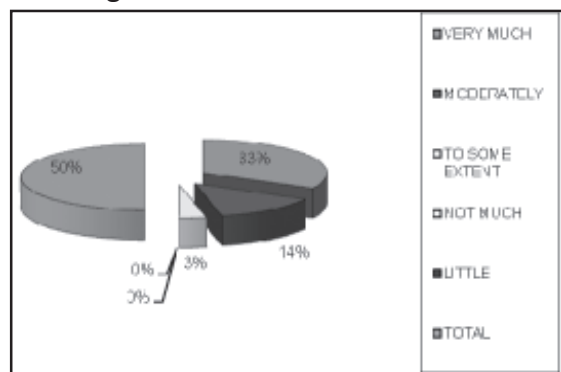
Sample Frame: For the purpose of choosing the Sample Frame, the Eastern Region HQs of IOCL and BPCL in West Bengal has been decided on for enquiry.

DISCUSSION

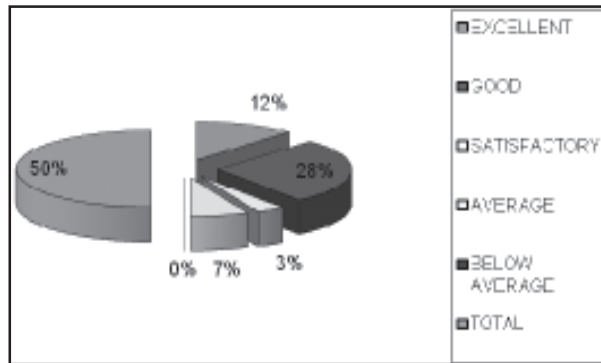
Findings & Data Analysis

Analysis of this study will be done on the basis of various charts & diagrams. At first data will be collected through questionnaire & interview and then presented the data on the literature. This analysis will give a clear idea regarding the current situation of all the workmen and facilitate the organisation to take corrective measures in solving the problems of the organisation. *In this literature questionnaire is a vital part.* Therefore, the questionnaire was very useful & timesaving in the initial stage, although considerable care should be taken in the construction and eventual interpretation. Moreover the surveys will be followed-up by shorter quantitative informal interviews based on the initial findings.

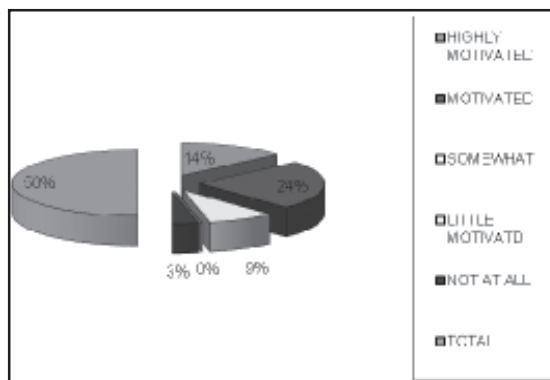
How effective is the training in real life situation?



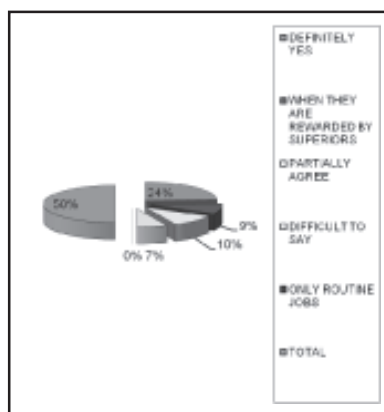
How will you rate the quantity of training imparted keeping in view the post-training & current job situation?



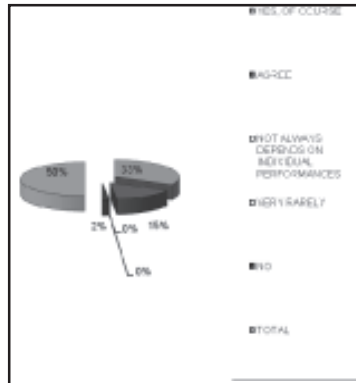
Has the training imparted given you sufficient motivation to stay in IOCL and to improve yourself?



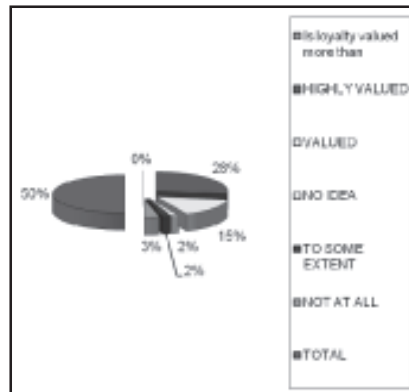
Has in-house training of employees in their company enthused them to perform their jobs?



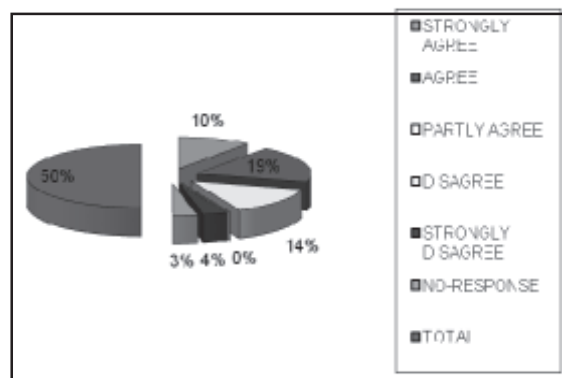
Training Programmes have taught you to take your job seriously and to perform



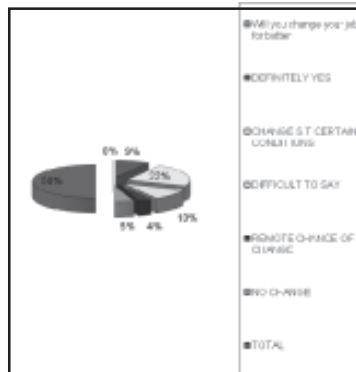
Is loyalty valued more than anything else in your company?



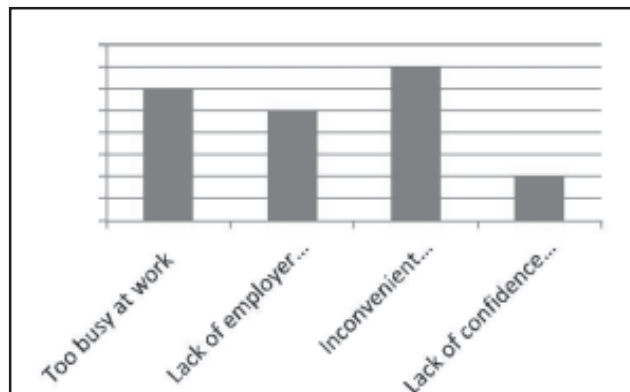
Do you agree with the statement that the employees are highly satisfied with the pay packets?



Will you change your job for better emoluments?



What are some of the barriers employees face when it comes to participating in our training program?



According to this chart we can see that 30% of the employees are too busy at their work, 25% employees faces the lack of their supervisor’s support, 35% employees having inconvenient time/location and 10% employees having lack of confidence in own abilities while participating in training program. I may conclude that most of the employees faces difficulties participating in training program because of the inconvenient time/location.

Employee’s perception regarding Training imparted

- 66% of the employees feel that training is very much effective in real life situation while 28% feel that it is moderately effective. The rest 6% only feel that its effectiveness to some extent.
- Regarding the quality of training imparted, 24% of the employees rate it as excellent and 55% rate it as good. Only 7% think that it is satisfactory if the respondents rate the quality of training as average.
- About 76% of the employees opine that training imparted has made them either

highly motivated or motivated to stay in IOCL and to improve themselves. Only 1/15th of the employees do not think that they are motivated by the training imparted.

- About 7% of the respondents are not infused by the training imparted to accomplish their higher performance levels. The rest 89% think otherwise.
- Nearly 50% of the employees fully agree that the training imparted has infused them to undertake their jobs seriously. 38% either partially agree or opine that are infused when they are rewarded. The rest 14% respondents would not say anything.
- Majority of the respondents (66%) believe that top management think that people are extremely important resource. About 1/5th of the respondents think that only some of the top management hold this view only 7% partially agree that the top management holds such view. Nearly all the employees (97%) think that training programmes taught them to perform their job well.

Distribution of respondents according to their responses on issues focusing people's orientation: Nearly 5/6th (86%) of the employees' subscribe to the view that in their company loyalty is valued more than anything else. Only 7% of the employees do not subscribe to the view.

Distribution of employees participating in the survey according to their opinions on job satisfaction: Only 7% of the employees have strongly disagreed with the statement that they are highly satisfied with the pay packets. 59% of the employees have either strongly agreed or agreed with such statements.

Distribution of respondents according to issue relating to innovation: About 14% of the employees do not agree that employees in IOCL find creative and innovative ways of working without being constrained by precedents. About 24% employees have strongly agreed with the statement that employees in IOCL find creative and innovative ways of working without being constrained by precedents while 1/3rd of the employees agreed with the statement and 28% partly agreed.

Distribution of employees on the basis of their opinion regarding facilities offered by IOCL for work to meet the corporate objectives. : Majority of the employees (48%) feel that the organizational inputs fully meet the corporate objectives while 31% feel that the inputs partly inputs. 1/6th (nearly 17%) have no idea on the subject.

Opinions on the issue related to customer satisfaction are presented: 41% of the employees have said that the customer satisfaction index has been developed & measured in IOCL. 28% opine that CSI is measured occasionally. 21% have no idea that CSI has been developed and measured. 7% has informed that a method of measuring CSI has been developed but it is not measured.

After detail analysis considering feedbacks from both the companies a training evaluation structure (exhibit 1 & 2) is designed which is done before training, during training and after training.

Exhibit 1

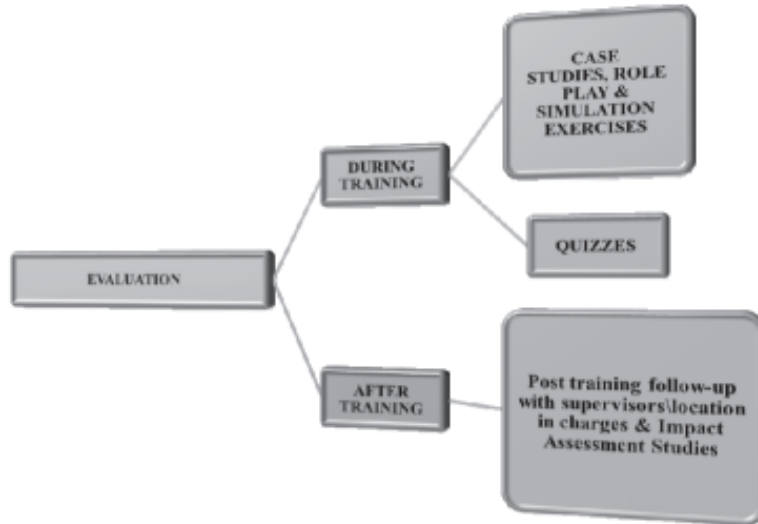
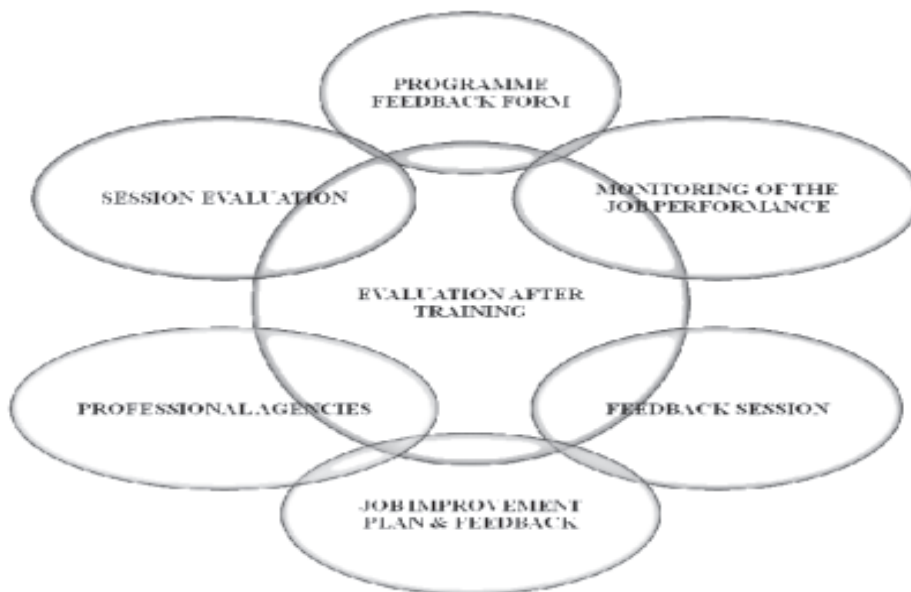


Exhibit 2



CONCLUSION

Training is an important part of an organization. This research project paper was undertaken with an objective to find out training needs and measurements of training effectiveness of all the employees of different nodal points. This study will help the

management of Indian Oil Corporation Ltd to identify the causes behind the non-involvement of the cent percent of employee in the training program and also the reason behind the dissatisfaction of the employees. Similarly, this study will also enable management to understand the basic need of employees as well as the organization in order to improve the current scenario and also provide tools for measuring effectiveness of training programme. Opinions expressed by the employees reveal that the training at IOCL is by and large effective, motivating and conducive to achieving results. Most of the employees opined that the quality of training imparted at IOCL is good, if not excellent. More than majority of the employees (66%) feel that top management considers employees to be extremely important resource. About 60% of the employees are satisfied with their pay packets and 1/3rd of the employees do not want any change of job. It must be borne in mind in this connection that only a small cross-section of the employees at IOCL is brought under study and findings from such a study do not necessarily qualify to be facts. However, since the survey conducted on the basis of face to face interviews with the IOCL employees of the Corporations Eastern Region Regional Office, which is one of the main Metro-Regional Offices of IOCL with a full-fledged and highly effective Training Department, it has been assumed that the survey results reflex the real life perceptions & opinions of a reasonably dependable cross-section of IOCL employees on the training that they have received.

RECOMMENDATION

After carrying out in-depth studies on the topic it reveals that despite providing opportunity to each employee to undergo respective training program, participation of the employees were found not so satisfactory. Hence it is recommended that effort should be made by the management to find out the reason behind this and motivate the employees in order to improve the situation.

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Analyzing the Customer's Attitude towards Online Cab Booking Services in Kolkata

Dr. Namrata Maheshwari*

ABSTRACT

Purpose: The purpose of the study is to analyze the customer's attitude towards online cab booking services. The study focuses upon exploring the effect of perceived risk, perceived enjoyment, subjective norms and facilitating conditions on the customer's attitude, behavioral pattern and actual usage.

Methods: In order to achieve the objective the sample of 220 respondents were collected. Measurement model through confirmatory factor analysis and statistical tests were used to establish the validity and reliability of the survey results. Then the structural model (TAM) is analyzed to test the hypothesized relationship among different factors presented in the model. A goodness of fit was also used to analyze the appropriateness of the model.

Findings: An exploratory study using Purposive sampling survey was carried out for the purpose. The results have shown appropriateness of the model for its applicability in adoption of online cab booking services in Kolkata. The perceived usefulness, perceived ease of use, perceived enjoyment, subjective norm and facilitating condition are having significant positive impact on customer's attitude but Perceived risk has negative impact on customer's attitude. Behavioral intention is determined by perceived usefulness and then at last usage behavior was predicted strongly by behavioral intention.

Implications: The contribution of the study is that it develops an additional insight to understand consumer attitude and behavior in online cab booking services. The results will support in targeting and positioning the online cab services according to customer's desires.

Originality: The research is an original work and the survey was done in Kolkata's market. The results are also showing the validity of research for the Kolkata's online cab market only.

Keywords: Customer Attitude, Behavioral Pattern, Online Cab Booking, Kolkata

INTRODUCTION

Internet and E-commerce have brought a transformational change in the public transport sector. The International brands as well as National brands are entering into the field of online cab booking services due to exponentially growth and high demand in the sector. The increasing demand of smart phones has given a way forward to the online cab business in India. Online cab booking services are very popular these days not only due to the popularity of Smartphone but also for their convenience, comfort and availability at affordable prices. The consumers were facing lots of trouble with the old ways of transport and that is why a new and better service with technological advancement has been accepted easily by them. The cleanliness inside the cabs, the fair rates and the well behaved drivers impress the consumers. Above all, the consumers were facing the

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trouble of refusals and non availability of cabs but the online cab services from Ola, Uber, Radio Taxi, Taxi for Sure, Meru Cabs and others have solved the problem of refusals as these cabs are available at any point of time.

Globally the trend of booking the cabs online is very common and is accepted by the consumers. Few researches have been done earlier for abroad countries but there is a need of knowing what kind of attitude consumer's are having towards these online cab services in India so the study has been conducted in Kolkata to know about the consumer's attitude and their behaviour.

AIMS AND OBJECTIVES OF THE STUDY

The purpose of the study is to analyze the customer's attitude towards online cab booking services. The study focuses upon exploring the effect of perceived risk, perceived enjoyment, subjective norms and facilitating conditions on the customer's attitude, behavioral pattern and actual usage. The main aims are following-

1. To explore the impact of various dimensions on the consumers attitude towards online cab services.
2. To find out the relationship between consumers attitude, behavior and actual usage of cab services.

LITERATURE REVIEW

The recent studies on this topic have suggested that Perceived Ease of Use, Subjective Norms & Perceived Risk played an important role in shaping the behavioral intention to use the app. Besides the Perceived Price Level, the value that an App adds to user's life plays an underlying inherent role in using the App. It generates a sense of freedom, creates a feeling of independence & royalty among the users.

Hanif and Sagar (2016) had stated that there was demand for Call-a-Cab service offered by Meru Cab. The cab services are proving security through global positioning system (GPS) and women taxi drivers for women passengers especially during night times. According to Harding et al (2016) the auto-rickshaws (three wheelers) are more popular in urban transport before the advent of cars and cabs. Horsu and Yeboah (2015) had argued that driver behavior have negative impact on customer satisfaction in Ghana. The variables like continuous service, comfort, reliability and affordability have an impact on customer satisfaction with regard to minicab taxi.

According to Lu et al (2015) the self- service mobile technologies helps the commuters to access lot of data about cab services and such technologies had changed the role of both customers and companies. The adoption of call taxi app (CTA) is impacted perceived usefulness, perceived ease of use, subjective norms and perceived playfulness (Peng, Wang, He, Guo, & Lin, 2014). Chen (2014) had explained that mobile apps help both drivers and passengers to find each other. At present the mobile apps are helps the customers to find cabs. In the recent years the car rental industry is growing constantly especially in metropolitan cities in India (Rahman, 2014).

The Meru cabs had become more popular and the demand for its cabs had exceeded that its supply which means technology had created huge demand for organized cab

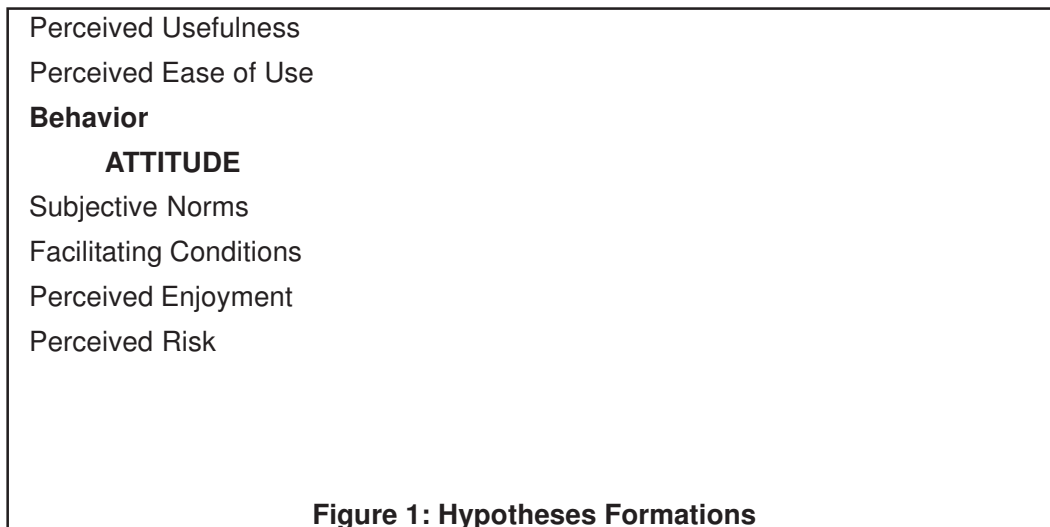
industry. The factors like accessibility, reliability and transparency are primary factors which have attracted customers towards branded cab services like Meru cabs (Vaithianathan & Bolar, 2013). The customer feedback in cab services industry is very important for attaining success in the competitive car rental industry. Upadhyaya (2013) had explained how Meru Cab Company had collected feedback from its customers and enhanced its service quality for sustaining in the business.

Many studies have shown that consumer characteristics and environmental experiences which include demographic, economic, social, psychological and culture are main factors that influence consumer buying behavior. On the other hand, many studies have also shown that the marketing mix namely the 4Ps – product, price, place and promotion have influenced the buyers' behavior. In his model, Kotler has introduced another factor influencing the online consumer behavior which is the web experience. Web experience is defined as consumer's overall perception on the online firm and its products. This experience is when consumers search, browse, find, select, compare and purchase online. The consumers' impressions are affected by the website's design, atmosphere, events and other online features while interacting online.

RESEARCH METHODOLOGY

The exploratory study with purposive sampling was used for survey method. The sample size for this study is 220. The primary data is collected through structured questionnaire and secondary data is gathered through journals, magazines and reliable websites etc. The geographical location of the respondents is Kolkata (West Bengal) because the region is having availability of national and international reputed organizations like Ola and Uber etc. The simple random sampling methodology is used for collected primary data. The respondents for this study should have consumed cab services in the last six months and they should have booked the cab through mobile app in their smart phones. The demographic variables considered in this study are age group, gender, occupation, education and income. The constructs in this study are Perceived usefulness, ease of use, enjoyment, subjective norm, facilitating conditions and perceived risk etc which are adopted from published scales (Shodhagna, 2017). The items under each construct were measured by using Likert type scale anchored with '1' for strongly disagree to '5' for strongly agree. Measurement model through confirmatory factor analysis and statistical tests were used to establish the validity and reliability of the survey results. Then the structural model (TAM) is analyzed to test the hypothesized relationship among different factors presented in the model. A goodness of fit was also used to analyze the appropriateness of the model.

The statistical software SPSS version 20 was used for data analysis. The hypotheses were formulated by using the research objectives of this study. Here are the following hypotheses of the study:-



H1: Perceived usefulness has positive influence on consumer's attitude towards online cab booking.

H2: Perceived ease of use has positive influence on consumer's attitude towards online cab booking.

H3: Perceived enjoyment has positive influence on consumer's attitude towards online cab booking.

H4: Subjective norm has positive influence on consumer's attitude towards online cab booking.

H5: Facilitating condition has positive influence on consumer's attitude towards online cab booking.

H6: Perceived risk has positive influence on consumer's attitude towards online cab booking.

H7: Attitude is having significant impact on behavioral pattern and actual usage behavior.

DATA ANALYSIS AND INTERPRETATION

Descriptive Statistics

Variable		Frequency	Percent
Age	18-30 years	104	47.3
	31-40 years	85	39.5
	41-50 years	24	10.9
	Above 50 years	7	3.2
	Total	220	100

Gender	Male	137	62.3
	Female	83	37.7
	Total	220	100
Education	Under Graduate	66	30
	Graduate	105	47.2
	Post-Graduate	36	16.4
	Other	13	5.9
	Total	220	100
Occupation	Service	97	44.1
	Business/ self employed	66	30
	Student/Research scholar	49	22.3
	Other	8	3.6
	Total	220	100
Monthly Income	Up to Rs. 50,000/-	120	14
	Rs. 50,001/- to Rs. 1,00,000/-	85	24.8
	Above Rs.1,00,000/-	15	42.8
	Total	220	100
Weekly Online Cab Use	Once is a week	66	30.2
	Twice in a week	50	22.7
	More than twice in a week	104	47.7

Table 1: Demographic Profile of the Consumers; Source: Primary Data

As shown in table1, 47% of the respondents belong to the age group of 18-30 years old; it implies that young group is showing more interest in using online cab services. 62.3%oftherespondentsaremaleshowsveryhighpenetrationofonlinecab booking among males as compare to females. Almost half of the respondents are graduate degree holders (47.2%). 44.1% of the respondents belongs to the service occupation and high-income groupofmorethan1,00,000(42.8%).Further, as to the length of online cab service usage pattern; 47.7% of the respondents have been using online cab services for more than thrice in a week. It shows good usage pattern of online cab services in Kolkata. (Refer Table 1)

Hypothesis Test

Model Evaluation

In order to achieve the objective first the measurement model through confirmatory factor analysis and statistical tests to establish the validity and reliability of the

survey are performed. Second, the structural model is analyzed to test the goodness of fit. The values are given below in Table 2.

Attitudinal Dimensions	Factor Loadings	GFI	CFI	Cronbach Alpha
Perceived Usefulness				
Useful to book an online cab	.81	.95	.93	.825
Saves time in finding a cab	.89			
Makes easier to book a cab	.78			
Provides prompt and detailed information	.80			
Perceived Ease of Use				
Simple to understand	.85	.83	.79	.901
Provides comfortable journey	.86			
Clear interaction by service provider	.77			
Perceived Enjoyment				
Fun activity to book a cab	.94	.86	.81	.823
Interesting to compare the rates	.75			
Subjective Norms				
Status symbol	.93	.88	.82	.780
Fits to life style	.84			
Worth to spend in online cab	.76			
Facilitating Condition				
Booking through Smartphone	.79	.86	.84	.941
Internet availability	.69			
Getting offers on regular booking	.74			
Perceived Risk				
Sharing personal information is risky	.38	.47	.44	.578
Safety and security while travelling	.44			

Risk of hacking internet	.45			
Money deducted in booking cancellation	.37			
Attitude				
It is a wise idea to use online cabs	.66	.89	.87	.852
The idea to get information by net is good	.78			
I believe in booking online cabs	.91			
Behavioral Intention				
I will strongly recommend others to use it	.74	.81	.79	.886
I will use it in future too	.85			
It is better to use the online cab in metros.	.79			
Actual Usage				
I use it frequently	.81	.94	.90	.947
I will book it for my near and dear ones too	.68			

Table 2: Values of Attitudinal dimensions- Factor Loadings, Reliability Test, GFI and CFI; Source: Researcher's data analysis

For identifying the sub factors of various dimensions of the attitude, the researcher has applied factor analysis, then validity test through Cronbach Alpha has been applied. The Goodness of Fit Index and CFI Index were also identified.

Table 2 is showing that the standard factor loadings of all the indicators of Perceived usefulness, Perceived enjoyment, Perceived ease of use, Subjective Norms and Facilitating conditions are higher than the acceptable level 0.50 so the convergent validity is good. Saves time in finding a cab, provides comfortable journey, Fun activity to book a cab, Status symbol and booking through smart phones are having highest impact on consumer attitude. As far as Goodness of Fit indices i.e. GFI and CFI are higher than the acceptable threshold 0.90 in all the said dimensions which shows a good fit model. To assess the construct reliability Cronbach alpha is calculated which is also above than the minimum value of 0.70 in almost all the cases. The results of Perceived risk are different from other dimensions. Here the values of all the factor loadings are not higher than the accepted level i.e. 0.50. It implies that risk factors are changing the attitude and behavior of consumers. Here GFI, CFI are lower than the acceptable threshold which shows that goodness of fit index is also not perfect. The Cronbach alpha value is also 0.578 which is also low than considerable value. In the same way,

values for Attitude, Behavioral Intention and Actual usage were also identified and goodness of fit as well as reliability were found suitable for the same.

In a nut shell, we can say that the model was perfect in all the cases other than Perceived risk. It depicts that risk factors like safety and security, sharing personal details, amount deduction while cancellation and risk in internet hacking are few of the factors which are having negative impact on customer's attitude. Consumers attitude is positively affected by perceived usefulness, perceived ease of use, Subjective norm, Facilities and enjoyment in booking online cabs.

Structural Model - After successful validation and reliability testing of measurement models, the structural model can be analyzed. Structural model will be evaluated by using R square for dependent constructs, path coefficients and significant level of structural path coefficient. First of structural equation model will be analyzed on the basis of squared multiple correlation (R^2).

R-square - Squared multiple correlations (R^2) for each construct is used to measure the percentage of construct variation explained by the exogenous construct. The values should be sufficiently high for the model to have a minimum level of explanatory power. Chin (1998b) considers values of approximately .670 substantial, values around .333 average, and values of .190 and lower weak.

Construct	R-square
Perceived Usefulness	.461
Behavioural Intention	.570
Attitude	.353
Actual Usage	.623

Table 3: Values of R Square for Endogenous Constructs

In this study perceived usefulness explains 46.1 percent of average variation. Perceived usefulness and perceived ease of use explains 33.1 percent of attitude. But attitude explains 50 percent of behavioural intention which is above average. On the other hand behavioural intention explains good variation of actual usage i.e. 62.3 percent.

Path Analysis - To evaluate the proposed hypothesis, the estimated path coefficients and their significance levels were used. Path coefficients depict the strength of the relationship between two constructs. The following results confirm the appropriateness of TAM for its applicability in adoption of online cab services. It could be seen that perceived usefulness is predicted by perceived ease of use ($\beta = .609, p=.000$). Furthermore, Attitude is based on perceived usefulness ($\beta = .282, p=.000$), perceived ease of use ($\beta = .110, p=.018$), perceived enjoyment ($\beta = .254, p=.000$), subjective norm ($\beta = .950, p=.044$) and facilitating condition ($\beta = .352, p=.000$). It has also been verified that perceived risk ($\beta = -.056, p=.120$) have insignificant path coefficients. Subsequently behavioural intention is determined by perceived usefulness ($\beta = .182,$

p=.000) and attitude ($\beta = .623$, p=.000). Finally, Actual usage behavior is predicted very strongly by behavioural intention ($\beta = .751$, p=.000). At last it could be concluded that H1, H2, H3, H4, H5 are supported and remaining H6 has not been supported.

Correlation Test

For identifying the relationship between the Attitude and Behavior, Correlation test was applied among all the attributes. The results have shown a positive relationship between attitude and actual; usage and behavioral intention. The values are given below:

Spearman's rho			Attitude	Behavioural Intention	Actual Usage
	Attitude	Correlation	1.000	.142*	.099
	Sig. (2-tailed)	.032	.034	.139	
	N	220	220	220	
Behavioral Intention	Correlation Coefficient	.142*	1.000	.091	
	Sig. (2-tailed)	.034	.045	.176	
	N	224	220	220	
Actual Usage	Correlation Coefficient	.099	.091	1.000	
	Sig. (2-tailed)	.139	.176	.032	
	N	220	220	220	

Table 4: Correlation test between Attitude and Actual Usage and Behavioral pattern

CONCLUSION

There is a dearth of research in identifying the factors affecting customer's attitude in online cab service. The study develops better understanding of the factors like perceived usefulness, perceived ease of use; subjective norm, facilitating condition and perceived enjoyment are having significant and positive impact on the customer's attitude while perceived risk is having negative impact on the customer's attitude towards online booking of cabs. The findings ensure that there is a direct relation between the attitude and the behavior of the customers. The results have shown that consumers are getting the app useful and enjoy the booking of cab with the facilities provided by them that is why there is a positive attitude among them but there are some risk factors too which are taking their customers away in booking online cabs. The research will help online cab providers to have a comprehensive, holistic and clearer understanding of factors that influence the attitude of Indian consumers.

To conclude, there are advantages & disadvantages associated with usage of Apps for booking services. It is up to the service providers that they should design their App in

such a manner that it is User Friendly, convenient to use, provides all complete details of the concerned taxi driver (his registration no., phone no, license no. Etc, exact fares, total fares i.e. the App should propagate transparency of information. Also, word of mouth publicity is more important to promote the use of such apps. Viral marketing will bring a new advent for housing these techniques.

LIMITATIONS

This study involves a number of limitations that need to be acknowledged. First, the primary limitation of the research relate to the small sample size, as generalizations are difficult to make with small sample sizes. Second, the scope of the study is limited upto Kolkata only. Therefore, results cannot be generalized for full Indian contexts.

RECOMMENDATIONS

Following recommendations will be provided to the online cab service providers for getting more customers:

- Maintaining the service quality and adding the standardized services.
- Adding more enhancing services feature which will attract customers.
- Reducing the conflict and risk factors by more CRM techniques as well as by technological advancement applications.
- Strict procedure while choosing drivers for Cabs.
- Providing details of other co-passengers services while booking pool services.

FUTURE RESEARCH

Further researches can be made in the field of consumer's attitude towards surge pricing of online cabs, the online vs. offline cab services and consumer behavior, There is a scope to explore the importance and performance analysis with respect to online cab users in India.

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Case Study on CSR practices in top three Indian Nationalized Banks

Priyanka Saha*

ABSTRACT

Purpose: The purpose of the study is to highlight the existing CSR practices for the period of 2010 to 2016 by top three nationalized banks of India for the year 2017-18 namely State Bank of India, Punjab National Bank, Union Bank of India. Finally make a comparison among the activities of those selected banks.

Methodology: The present study is based on the case study method. Data are collected from secondary sources most particularly from concerned Banks Annual Report, web sites, newsletters and other secondary sources.

Findings: Case studies of State Bank of India, Punjab National Bank, Union Bank of India, which are top three nationalized banks of India, highlight the need and practice for sound corporate social responsibility. It has been observed that performance of SBI which has been judged by their spending towards CSR activities is far better than other two selected bank. Union Bank of India holds the next position with respect to their CSR activities.

Research implications: This review aids our understanding of how CSR has adopted and been implemented by Indian nationalized banks. It highlights the different ways of CSR contribution towards society.

Originality: The paper focuses on the set of corporate social responsibility actions adopted by the largest nationalized banks in India. It helps in examining the efforts of corporate social responsibility in bank's activity.

Key words: Corporate Social Responsibility, Nationalized Banks in India

INTRODUCTION

Corporations have, historically functioned with the primary objective of profit-making in the world of business. Increase in shareholder value and financial gains remaining the chief motivating factors, the last decade has seen sensitization towards a wider range of issues on the part of corporate world; areas such as environment, society, working conditions and facilities, ethical practice and like, when duly addressed from what is today called Corporate Social Responsibility (CSR). It is the "triple bottom line" of the corporate- the combination of their financial, social and environmental activities/ performances in the process of conducting their business.

Amidst all the transformation occurring in the business world since the 1990s, the emergence and expansion of CSR agenda has perhaps been the most remarkable

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phenomenon. It is one of the most interesting and pressing issues in the modern corporate world. Since trust and foresight are crucial to businesses, CSR becomes important to ensure that the faith of customers, communities and regulation in them is sustained. For long run success, companies need to look beyond the requirements of today, nor just with regard to technology and priorities of customers, but also the potentially transformed nature of society, environment and governance.

Ideally CSR ought to reveal itself through concrete and rigorous action for the benefit of society and environment alike; there has to be knowledge and conviction regarding the ends to be a achieved and regular, systematic means to communicate performance. The credibility of an organization manifests itself through transparent performance reporting, lack of accountability might generate problems, especially where public relations exercise fail to cater to welfare of the community.

CSR PRACTICES IN INDIAN BANKING SECTOR

Banking, due to the nature of its operations, is a relatively pollution-free sector and the environmental burden of its operations, and the products and services that it offers, which are primarily related to financial and insurance activities, are not comparable to most other sectors in the economy. Now-a-days CSR has been assuming greater importance in the corporate world including financial institutions and banking sector. Banks and other financial institutions start promoting environment friendly and socially responsible lending and investment practices. RBI (2007) has also directed Indian banks to undertake CSR initiatives for sustainable development and also asked banks to begin non-financial reporting which is related to activities in the era of environmental, social and economic accounting.

For conducting the social responsibility Bank has earmarked 1% of its profit for social projects which can facilitate visible change in the society and environment in which the Bank operates. Recently financial institutions adopt an integrated approach between customer satisfaction and CSR in a broader way. RBI also instructs the banks to integrate their business operation along with social and environmental aspects. Now-a-days CSR has been assuming greater importance in the corporate world including financial institutions and banking sector. Banks and other financial institutions start promoting environment friendly and socially responsible lending and investment practices. RBI (2007) has also directed Indian banks to undertake CSR initiatives for sustainable development and also asked banks to begin non-financial reporting which is related to activities in the era of environmental, social and economic accounting.

LITERATURE REVIEW

Davis (1973) described CSR as firm's consideration and response to different issues which may rest beyond the narrower territories of economic, technical and legal requirements of the firm.

Waddock and Smith, (2000).Corporate Social Responsibility (CSR) and orientation of banks can be a useful tool for them to tide over such crises in future, if banks maintain their relationships with stakeholders in making their businesses more sustainability .CSR among other things is a key stakeholder relationship building activity.

Narwal (2007) made a study to highlight the CSR initiatives taken by the Indian Banking Industry. The findings suggest that banks have an objective view-point about CSR activities. They are concentrating mainly on education, balanced growth (different strata of society), health, environmental marketing and customer satisfaction as their core CSR activities.

Sharma (2011) made an attempt to analyze CSR practices and CSR reporting in India with special reference to banking sector and concluded that banking sector in India is showing interest in integrating sustainability into their business models but its CSR reporting practices are far away from satisfaction

Sanjay Kanti Das(2012),in his study presented that development of Corporate Social Responsibility (CSR) is very slowly in India though it was started a long time ago. In his view CSR has been assuming greater importance in the corporate world, including the banking sector. There is a visible trend in the financial sector of promoting environment friendly and socially responsible lending and investment practices. The Govt. of India is pursuing the matter relating to CSR and also drafted guidelines for CSR practices time to time.

Persefoni Polychronidou et al., (2013)Corporate Social Responsibility (CSR) in banks has become a worldwide demand. Now a days, by recognizing CSR, banks from all over the world endorse programs of educational, cultural, and environmental, as well as health initiatives. Besides, they implement sponsorship actions towards vulnerable groups and charitable nonprofit organizations. As a matter of fact, many studies have explored the status of CSR in banks. Besides, the areas of CSR drivers, impacts, and practice are relatively well researched topics

OBJECTIVE OF THE STUDY

The objective of the study is to highlight the existing CSR practices for the period of 2010 to 2016 by top three nationalized banks of India for the year 2017-18 namely State Bank of India, Punjab National Bank, Union Bank of India. To recognize the focus area for conducting CSR is also a part of our objective. To understand the investment pattern of selected banks with regard to CSR is also another objective of our study. Finally we have made a comparison among the activities of those selected banks.

RESEARCH METHODOLOGY

To analyze the extent of socially responsible practices of Indian banking sector, the sections titled Director's report or Chairman's message or Business Responsibility Report section (BRR) in annual reports of the 3 best financial institutions have been analyzed. The present study is based on the case study method. Data are collected from secondary sources most particularly from concerned Banks Annual Report, web sites and other secondary sources. The study covers the period 2010 to 2016. In general annual reports are considered appropriate documents for studying social disclosures as they are an important means of communication to various stakeholders and these documents also enjoy high credibility. As the Chairman's message or the Director's Report is a part of most of the annual reports, these sections are also duly considered as appropriate document for analyzing Corporate Social Disclosures practices.

ANALYSIS

As part of our objective, we have resorted to a brief discussion on CSR Initiatives of three selected banks, namely SBI, Union Bank of India and PNB for the period 2010-2016.

CSR INITIATIVES OF SBI FROM 2010-2016

Responsiveness to the needs of the society and responsibility to meet those needs is ingrained in the ethos of the Bank. CSR is not an isolated practice or initiative for the Bank but runs through its entire business paradigm. CSR is embedded in their business initiatives and has been practiced in State Bank of India since 1973, under Community Services Banking which covers various social, environmental and welfare activities. SBI earmarks 1% of the previous year's net profit as CSR spend budget for the current year.

SBI contributed their funds towards social and environmental activities. SBI continued to cater to the developmental needs across various areas such as Health, Education, Adoption of Girl Child, Women's empowerment, Child development, Welfare and rehabilitation of poor and handicapped, Assistance to poor and underprivileged, Entrepreneur development programmes, Vocational guidance, Green Banking, Thrust for assistance to IT education in Rural/Tribal/unreached areas, Environment Protection, Assistance during natural calamities and many more.

CSR Focus area from 2010-16

Assistance during Natural Calamities: Bank has always been at the forefront to help the States affected by natural calamities. Except 2014 the amount of contribution is mentioned for every year from 2010. During FY 2010 bank were undertaken 6 Projects amounting to Rs.5.22 crores for providing relief and rehabilitation to victims of Natural Calamities. Of this Rs.5.15 crores was donated to the Chief Minister's Relief Funds of 4 States. In FY 2011 bank were made a donations amounting to Rs 2 crores to UP Chief Minister's Relief Fund for providing relief and rehabilitation to victims of Natural Calamities. Bank has lent its helping hand to the Odisha Flood 1.00cr., Puducherry Cyclone 0.50cr., Sikkim Earthquake 1.00 cr., Tamil Nadu Cyclone 2.00cr., West Bengal Earthquake 1.00 cr. with total donations of Rs 5.50 Crores to the Chief Minister's Relief Fund to the people affected by natural calamities during 2012. FY 2013 bank has made National donations to Prime Minister's and Chief Minister's Relief Funds for natural calamities. For Rajasthan and Assam flood bank has provided 2 crore each. In FY2015, the Bank has lent its helping hand to the States of Jammu & Kashmir and Andhra Pradesh with a donation to the Chief Minister's Relief Fund of the respective States to provide succour to the people affected by flood/cyclone.

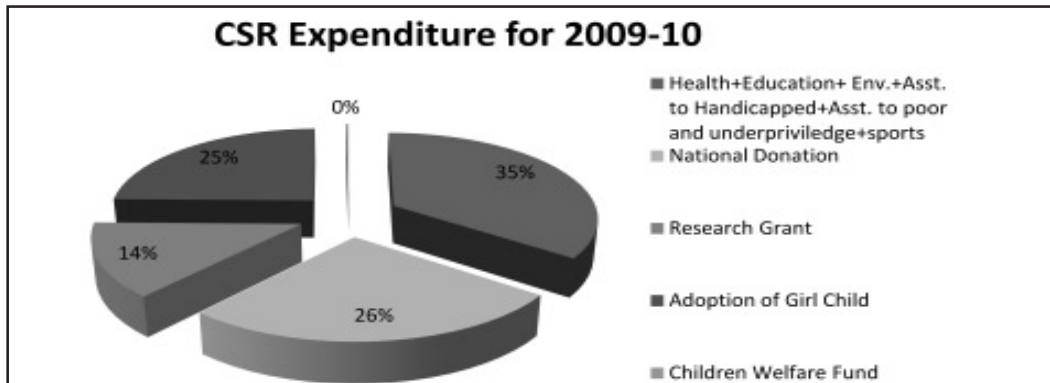


Figure1. Contribution of CSR activities for the year 2009-10; Source-Annual Report of SBI for 2009-2010

Healthcare: The focus of the Bank has been to provide the basic infrastructural support to ameliorate the condition of the common people. In the area of healthcare company are showing their consciousness from 2009-10. In this field company spent 25.95 cr., 15.03 cr., 28.56cr. for the year 2010-11,2011-12,2014-15 respectively. But in 2013 & 2014 how much they have spent in this area is not mention in the annual report. So we can say that SBI is genuinely concerned about the health care sector.

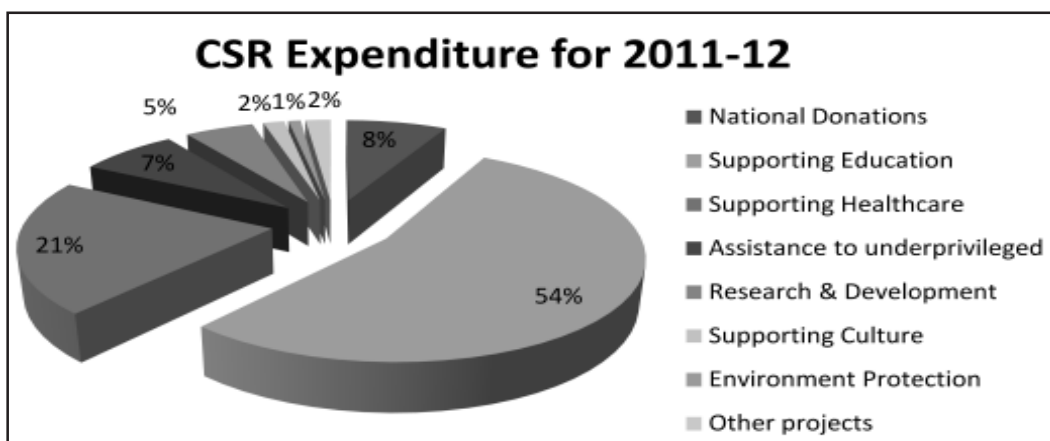


Figure2. Contribution of CSR activities for the year 2010-11; Source-Annual Report of SBI for 2010-2011

Education- To support school education especially in the schools for the under privileged children, Bank has provided infrastructure support by way of furniture, scientific instruments and other educational accessories and donation of large number of school buses/vans for the benefit of physically/visually challenged children and children belonging to economically weaker. In the field of education SBI has been making contributions from the year 2009-10. SBI's awareness is proved by the way of increasing expenditure for this field which are 3.97 cr,38.33 cr,41.20 cr. for the year 2010-11 ,2011-

12,2014-15 respectively. In the year 2011-12 out of total expenditure around 54% has been contributed for education.

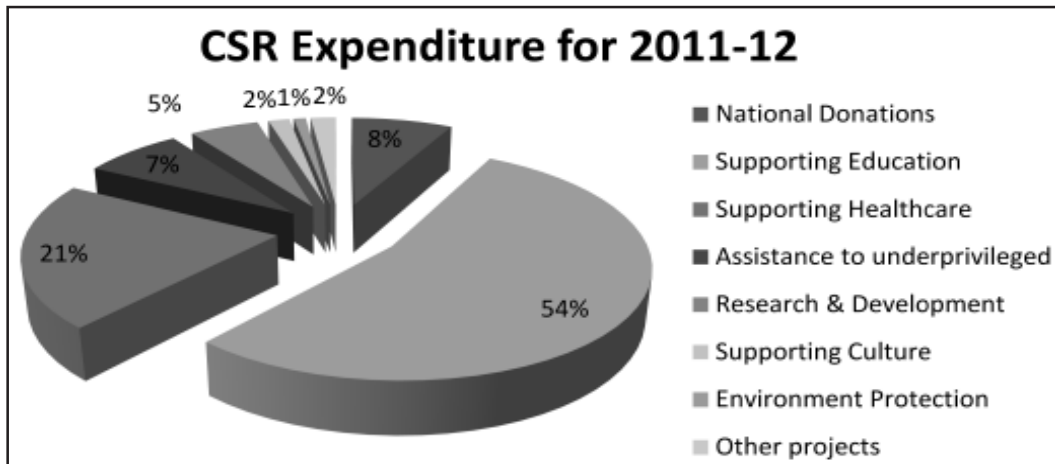


Figure3. Contribution of CSR activities for the year 2011-12; Source-Annual Report of SBI for 2010-2011

Adoption of Girl Child: Under a novel scheme of Adoption of Girl Children designed by the SBI Ladies Club, poor and destitute girl children were adopted by various branches throughout the country to meet their educational expenses. From 2008 to 2012 SBI adopted 8300,15300+,8383,17627,17627 child respectively. In 2009-10 & 10-11 they donated rs 4.84 cr. and 3.49 cr. respectively. But from 2013 onwards no investment has been made in this field.

Women's Empowerment: It is one of the core CSR areas for the company but only in 2010 & 2011 they just declared about this field but no specified amount is mentioned for this field.

Child Development: Child development is one of the focus areas under community service banking. Only in 2010& 2011 they mention child development is as core CSR area.

Welfare and Rehabilitation of Poor and Handicapped: Although in 2010, 2011 & 2012 they mention this area as one of the prioritize area but no amount is mention over the periods.

Assistance to Poor and Underprivileged: The Bank is a corporate citizen, with resources at its command and benefits which it derives from operating in the society in general. It, therefore, owes a solemn duty for the bank to take care of the less fortunate and underprivileged members of the same society. Bank is continuously committed from 2008 onwards. But the amount of spending is mention only in 2011-12 which amounted to Rs 5.37cr.

Entrepreneur Development Programmes: From 2010 onwards company is contributed in this field consistently. But the amount of spending is not mentioned for any of the

year.

Thrust for Assistance to IT Education in Rural/Tribal/Unreached areas: Bank has likely to assist IT education in rural/tribal/unreached areas for 2010 & 2011 only. But the amount of expenditure for this field is not mentioned.

Environment Protection: From 2010 onwards SBI has really been q sustainability of the environment and cutting down on consumption of paper, has encouraged their shareholders to receive the Bank's Annual Report in electronic form (eAR). In the year 2011-12 bank contributed Rs.0.67 cr. towards environment protection.

Green Banking: Being a responsible Corporate Citizen of the country, the Bank has adopted a Green Banking Policy with an objective of contributing towards the fight against the adverse climatic changes. The policy envisages two pronged approach to address the issue viz. i) to reduce the Bank's own carbon footprint and ii) to sensitize the Bank's clients to adopt low carbon emission practices. As part of the Bank's initiatives to move towards low carbon operations, the Bank has initiated several measures, which include switching over to energy efficient lighting systems, installation of energy savers, waste disposal ,efficient water management systems, and tree plantation etc. Bank has installed windmills in three states for its own energy needs. SBI is the largest deployer of solar ATMs. Paperless Banking is promoted and implemented across the country. Gives project loans at concessionary rate of interest to encourage reduction of green house gases by adopting efficient manufacturing practices. From 2010 to 2015 they are consistently contributed in this field but no amount of contributions is mentions anywhere in the report.

Vocational Guidance: Vocational guidance is one of the significant areas for their CSR activities. From 2010 onwards they are concern regarding this field except 2013-14.

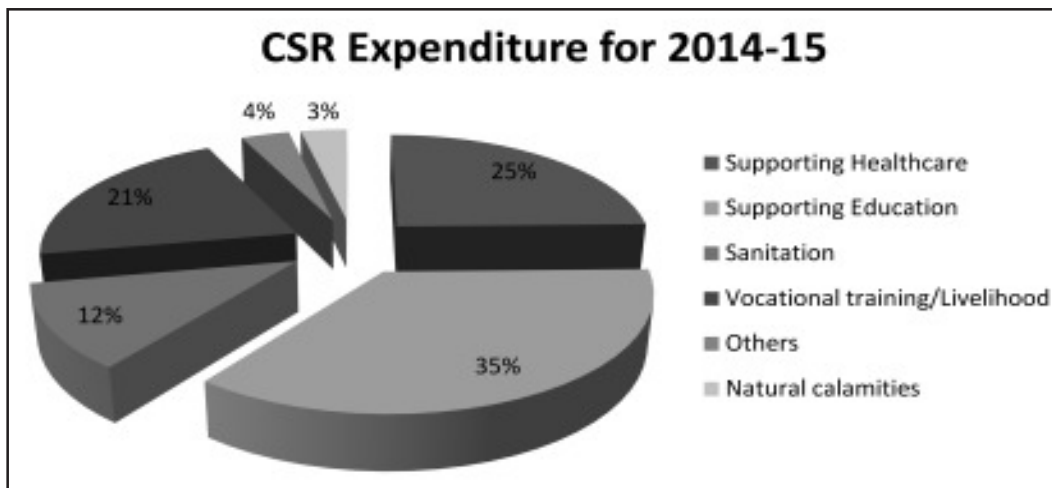


Figure4. Contribution of CSR activities for the year 2014-15; Source-Annual Report of SBI for 2014-2015

Livelihood Creation: For skill building of the rural youth, Bank has provided infrastructure support of 21 crores to 24 Rural Self Employment Training Institutes (RSETIs). At present 117 RSETIs are being run by the Bank, which is the highest number of RSETIs established by any Bank in the country.

Sanitation: Participating in the National endeavour of Swachh Bharat Mission, Bank has supported reputed NGOs for construction of toilets in needy schools especially girls schools under 'Swachh Vidyalaya Campaign'. During 2014-15, Bank has donated 13.64 crores for construction of 435 toilets in 398 schools in nine districts.

SBI Cell for Public Leadership: In 2008-09 bank approved setting up of a special cell named "SBI Cell for Public Leadership" in the prestigious Indian School of Business, Hyderabad. The Cell proposes to undertake research in the area of Leadership in Public Sector with special reference to PSUs functioning in India.

SBI Children's Welfare Fund: The Fund was set up with donations from the employees of SBI with matching contributions from the Bank to assist underprivileged and poor children in their overall development. In this area bank contributed Rs 4.58 lac, 5.62 lac, 7.62 lac and 34.70 lac for FY 2010, 2011, 2012 and 2014 respectively. With respect to the amount of expenditure we observe an increasing trend with respect to children welfare.

SBI Youth for India: SBI Youth for India is a fellowship programme initiated, funded and managed by the State Bank of India in partnership with reputed NGOs. The Programme seeks to help India secure an equitable and sustainable growth path by:

- Providing educated Indian youth with an opportunity to touch lives and create positive change at the grass root level in rural India.
- Providing NGOs working on development projects in rural India with educated manpower whose skill sets can be used to catalyze rural development.
- Promoting a forum for the Programme alumni to share ideas and contribute to rural development throughout their professional life.

Education Partnership with the Municipal Corporation of Greater Mumbai: The Municipal Corporation of Greater Mumbai (MCGM) has launched a project to transform and upgrade the outcome of education in schools run by the Municipal Corporation. The Bank has agreed to support this project as a partner for a period of 2 years (2010, 2011) as this project may evolve as a model for replication across the country. The project has the following objectives:

- Improvement in average learning outcomes from 30-35% to 70-80%.
- Improvement in student attendance from 50-60% to 90%+.
- Reduction in drop-out rates especially at upper primary level.
- Enabling at least 30-50% of the children to speak English comfortably.
- At least 20% of secondary school children getting strong vocational training.
- At least 20% of parents being highly involved in the child's learning.
- Creating infrastructure of the right quality in each school

Research & Development Fund: The Bank set up the Research & Development Fund in 1977 with the primary objective of supporting research work relevant broadly to the activities of the Bank. In 2009-10 from R&D Fund the Bank has set up a chair named 'Indian Observatory and IG Patel Chair' at Asia Research Centre of the London School of Economics jointly with the Reserve Bank of India. In addition, the Bank has established an 'SBI Chair for Public Leadership' in the Indian School of Business, Hyderabad. These 2 chairs have been assisted with donations amounting to Rs.2.73 crores.

In 2010-11, State Bank of India Chair on Energy and Environment has been instituted for ' 50 lac in IIT Kanpur with particular emphasis towards innovations in the field of solar energy. This step demonstrates Bank's concern for energy and environmental issues. Besides, the Bank has also made an annual contribution of GBP 100,000 towards a Chair set up by the Bank jointly with RBI at the Asia Research Centre at London School of Economics. An amount of 2 crores has been earmarked for 'SBI Chair for Public Leadership' set up in Indian School of Business, Hyderabad.

In 2011-12 The Bank supports research work relevant broadly to the activities of the Bank from its Research & Development Fund. The Bank makes an annual contribution of GBP 100,000 towards a Chair set up by the Bank jointly with RBI at the Asia Research Centre at London School of Economics.

In 2013-14 The Bank makes an annual contribution of GBP 100,000 towards a Chair set up by the Bank jointly with RBI at the Asia Research Centre at London School of Economics. Our R&D Fund donations amounted to Rs 1.03 crores during 2013-14.

Sports: Under the head of community service banking SBI provides assistance in the field of sports in 2010 and 2011.

Culture: In the year 2011-12 company provided Rs 1.15 Cr. for social developments.

State Bank of India , the oldest bank has also adopted green banking initiatives in its lending operations. Recognizing the warning of global warming bank has decided to initiate urgent measures to combat the climate change through envisaging two pronged approach viz. i) to reduce the Bank's own carbon footprint and ii) to sensitize the Bank's clients to adopt low carbon emission practices.

CSR INITIATIVES OF UNION BANK OF INDIA

In discharging corporate social responsibility, Union Bank of India is making a conscious effort to address some of the socioeconomic deprivations by identifying new villages and extending banking services to these villages to provide quality of life. The bank has undertaken its social responsibility by the wings of UBSF.

Union Bank Social Foundation Trust (UBSF): has established (2010) by the bank to carry out its CSR activities by way of community and social development . Under this foundation bank has carried out different activities such as

Village knowledge Centres (VKCs): which assists in overall development of the village by coordinating with various developmental agencies/Government departments and disseminate knowledge to farmers about latest developments in methods of cultivation, technologies, proper use of fertilizers, pesticides etc.

Union Adarsh Gram Yojana: Under Union Adarsh Gram Yojana, the Bank's endeavor is to make the villages self-sufficient and self-sustaining in every aspect. Such as

- Adopting meritorious girl children by helping them financially to complete their studies up to class XII
- Providing clean drinking water to students by providing water filters at Government schools
- Street lighting with solar lamps
- Providing solar lanterns to students
- Providing benches and fans in Government schools.

Financial Literacy and Credit Counseling Centres (FLCCs) and Rural Self employment and Training Institutes (R-SETIs): It helps to extend financial literacy, counseling and training to the needy people so that they become part of the mainstream.

Environment protection and sustainable development: the Bank has taken steps to reduce its environmental impact in whatever way possible.

- The Bank has adopted core banking model for anytime-anywhere banking facility
- The Bank has already mandated to release all payment through electronic mode
- To support and simplify paperless Banking
- Emphasis is given to use electronic/electric equipment which are star-rated and consume less power
- All the cars in the corporate office have been fitted with CNG to reduce dependency on petrol and diesel, which are much more polluting.
- The bank has installed motion sensors in its corporate office for electric installations and air conditioners
- Installation of energy efficient systems such as CFL fittings and LED fittings.
- Rain water harvesting in the Bank's building has helped in the conservation and recharging of ground water level.
- Employing Busbar trunking system to ensure safe and cost efficient flow of power in all kinds of applications.
- It is noteworthy that the Bank spent 31.02% of its CSR spend on providing solar lighting to villages .

Health

- Provision of healthcare facilities through Bank's mobile van to flood affected, hilly and inaccessible areas with an aim to provide relief to villagers
- Cancer screening and awareness programme has arranged for providing total support in terms of medicines, food and hospitalization for rural patients.

Education

- Company has provided support to Set-up computer lab

- Supporting education by providing solar lanterns to schools
- Provided 4 customized food bank through Akshya Patra Foundation for distribution of mid-day meals to government school children for continuation of education and to reduce drop outs

Support for Differently Abled

- Provided sponsorship for publishing digital audio books in CD form (50000 pages) for catering to visually impaired students throughout the country
- Helped install 2 elevators in adapt home for Mentally Challenged for spastic and autistic children and also the trainers, to allow easy movement between floors for treatment and training, with the support of the Spastic Society Of India
- Conducted free camp for distribution of artificial limbs, calipers and tricycles to the physically challenged
- Educational sponsorship was provided to special children
- Assisted a school for mentally challenged students.

Community Development

- Bank helps in Construction of night shelters to support the destitute with the assistance of Ramakrishna Mission
- The Bank has undertaken healthcare facilities through Bank's mobile vans to flood affected, hilly and inaccessible areas.

Women Empowerment, Skill Development, Vocational training are also the focus areas for CSR activity of the bank. The total amount of CSR contribution mentioned only from 2013 onwards although no sector-wise contribution mentioned in the annual report. Only the amount of donation is mentioned from 2010 onwards.

CSR INITIATIVES OF PUNJAB NATIONAL BANK (PNB)

The CSR paradigm has evolved into a vibrant and dynamic strategy of the bank and is now firmly embedded in its core corporate policy. The bank recognizes that in the current exciting and bullish economic environment, one can fall into the trap of overlooking the value of building social capital through healthy exercise of CSR. The Bank is providing full support to development of agriculture, medium and small scale industry, women empowerment and financial inclusion; it is facilitating rural development through various interventions like educating farmers on progressive agricultural practices, imparting entrepreneurial skills for self-employment and increasing financial literacy amongst the population. To achieve these objectives, Bank has set up Farmers Training Centres (FTCs), Rural Self Employment Training Institutes (RSETIs), Financial Literacy and Credit Counseling Centres (FLCCCs), PNB Farmers Welfare Trust, PNB Prerna.

Agriculture and farmers related initiatives: Being a socially responsible organization, they have undertaken following projects such as-

- **Financial Literacy and Credit Counseling Centre (FLCCCs):** Bank has opened FLCCCs in all these districts for providing financial education/credit counseling free

of charge

- **PNB VIKAS - Village Adoption Scheme:** As part of Corporate Social Responsibility initiatives, the Bank has launched a welfare scheme of adoption of village viz., “PNB VIKAS”. The basic objective of PNB VIKAS is integrated development of identified unbanked villages as part of Financial Inclusion Plan of the bank
- **PNB Farmers’ Welfare Trust** -Bank has established this trust to provide strong support to agricultural and rural development for welfare of the farmers, women and youth
- **Farmers’ Training Centres (FTCs):** This has been operationalised for conducting different camps such as human health check up, animal health and visits of farmers to agricultural universities /colleges /fairs /government farms etc. were also arranged by the FTCs
- **Rural Self Employment Training Institute (RSETI):** As per the Ministry of Rural Development, Government of India guidelines each Bank has to establish a RSETI in its lead districts as well as in non lead districts allotted by the concerned State level Bankers Committee (SLBC)
- **PNB Centenary Rural Development Trust (PNBCRD):** The Bank has established PNBCRD with the objective of assisting rural youth for taking up gainful employment and promoting rural development
- **PNB Rural Self Employment Training Institutes (PNBRSETIs):** This institute has been established for creating awareness and counseling farmers. Bank resorted to dissemination of useful information to the rural community through organization of Kisan Goshthies and formation of Kisan Clubs
- **PNB Prerna:** An important step to take forward the CSR activities of the Bank is the establishment of PNB Prerna, an Association of the wives of the Bank’s senior management. The Association, through its voluntary initiatives, has undertaken activities like distribution of food to the poor and needy, provision of computers, books, stationary items to poor girl students at various orphanages and schools etc

Health and Social Initiatives

With the active involvement of the staff, various Community based activities were undertaken during the year. Bank also participated in Mumbai Marathon, the motto of which was “Education for All Children”. Medical check –up and blood donation camps were also organized by the bank.

Green Initiatives

Though provision of financial services does not have any direct impact on the environment, Bank is fully committed to the protection of environment. Green Initiatives taken by the Bank

included promotion of rainwater harvesting, reduced use of paper by using email for inter-office communications, reduced power consumption through various energy conservation measures and conducting tree plantation drives. Bank has taken various

steps for reducing emissions and energy consumption. Bank is also emphasizing on green buildings and earnestly encouraging simple Green practices such as opting for energy efficient lights, printing on both sides of paper, purchasing composite fax machines which can perform multiple functions, immediate repair/redressal of water leakage, use of master censor /master switches for light, fans etc, wherever possible. Wind energy is emerging all over the world as an important source of clean energy. Towards promotion of this source of energy, Bank has envisaged to provide upto 1% of its total advances to this segment.

Promotion of Sports

Bank has always been actively supporting sport activities and towards this end, Bank opened PNB Hockey Academy, taking care of needs and aspirations of the prospective players.

Financial Inclusion

Financial inclusion has been priority area for the Bank not only for compliance with the directives of the Government of India but also as a business proposition. Thus, Bank has decided to extend the foot prints of the Bank to the hitherto unbanked areas and take as many customers as possible on board.

Education

Scheme for popularization of education among girls of Rural / Semi urban areas. PNB Ladli scheme was launched by the Chairperson of PNB Prerna jointly with Punjab National Bank Farmers Welfare Trust (PNBFWT).

Women Empowerment

PNB Asha Kiran Scheme has been launched to accelerate the pace of women empowerment development in rural areas wherein 1000 rural women will be identified & nurtured till their economic empowerment.

- Features of PNB Asha Kiran are:
- Free health Check up Camps.
- Financial Literacy Guidance
- Linking all women participants with Prime Minister's Jan DhanYojana.
- Promoting formation of women SHG/JLG
- Training for Self Employment.
- Financial assistance by providing loans.
- Market linkage for their produce

Swachchh Vidyalaya Campaign:

Scheme to provide financial assistance for construction of toilets in government schools of adopted villages of PNB VIKAS has been approved. It focuses on coeducational and girls' govt. schools wherein they provide:

- Separate toilet facility for girl student
- A library with regular newspaper & educative magazines
- A sport kits has been distributed

PNB UJALA:

The aim of this project is to provide

- Solar Lantern to each girl student adopted under PNB LADLI Scheme
- Rehabilitation work in Uttarakhand (Under Donation)
- Medical Camps
- Farmers Training including visits of farmers to Agriculture Universities.
- Tree Plantations
- Blood Donation Camps
- Distribution of Artificial Limbs

OBSERVATIONS

After analyzing the CSR activities of the three aforementioned banks, it has been observed that core activities of CSR are concentrated on Assistance during natural calamities, Healthcare, Education, Adoption of Girl Child, Women’s empowerment, Environment Protection, Green Banking, Vocational guidance, Youth development, etc.

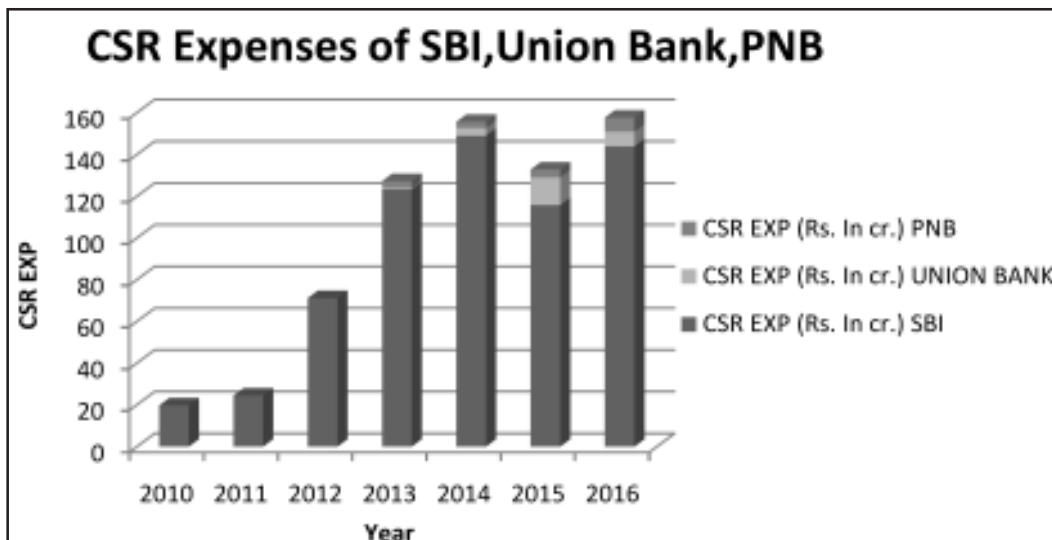


Figure5. Contribution of CSR activities from 2010 to 2016; Source-Variou Annual Reports of SBI, Union Bank and PNB

It is clear from the above figure-5 that, from the starting point of our study, i.e. 2010, SBI has mentioned the amount of contribution towards CSR which is far better than the other two selected banks. After analyzing the annual report as well as sustainability

report, it has been observed that upto 2012 PNB does not mention the amount of investment towards CSR although the Union bank mentioned the amount of donation for each year.

FINDINGS

Case studies of State Bank of India, Punjab National Bank, Union Bank of India, which are top three nationalized banks of India, highlight the need and practice for sound corporate social responsibility.

1. PNB, Union Bank and SBI publishes a separate segment on CSR in their Annual Report. PNB also publishes a report on CSR strategy but it was not drafted according to internationally accepted benchmark
2. Selected all three banks under study did not follow the Govt.of India Ministry of Rural Development (MoRD) guidelines on setting up of RSETIs i.e. establishing of Rural Self Employment Institutes
3. It is further observed that all the banks and financial institutions under study are engaged in spending for socio economic development, rural development and community development projects. Further, priority sector lending, micro financing, Ministry of Micro, Small and Medium Enterprise (MSME) financing and project on environment excellence etc are common to all the financial and banking institutions
4. It is further observed that supporting Education by SBI, Adoption of Villages by PNB and union bank are the unique feature of CSR activities of commercial banks in India
5. Another significant contribution of CSR activity performed by SBI and PNB are the funding for Research and Development Grants to universities and academic institutions.
6. It has been observed that the performance of SBI as judged by their expenditures towards CSR activities is far better than the other two selected banks. Union Bank of India holds the next position with respect to their CSR activities.

CONCLUSION

The business of 21st century will have no choice but to implement CSR. The analysis shows that though the Indian banks are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR. Even after the RBI's guidelines for financial literacy programs the banks have not take substantial steps in this direction. The RBI may be more stringent in enforcing such regulatory requirements. The banks have focused on the community welfare and farmers' welfare programs but the efforts for women welfare and education are not sizeable. Whatever the CSR activities are happening on behalf of the banks are centered on education, rural upliftment, Adoption of Children, Vocational training, Rural Development, Environment protection, Socio-economic development of the vulnerable sections of society and helping the physically challenged.

The study shows that all the banks in India are focused towards the Social Responsibility

now-a-days. Thus we can conclude that these days the banking industry in India is giving due importance to the Social Responsibility and they try to cater all the important areas which is really needed for social development.

RECOMMENDATIONS

Although the selected banks are showing interest in integrating sustainability into their business models but its CSR reporting practices are far from satisfaction. As a matter of fact, the standards for rating CSR practices are less uniform in comparison to that for financial rating. Absence of mandatory provisions regarding reporting of CSR practices further cause negligence on the issue of reporting. In fact, there is a great need for enacting some stringent regulatory provisions to ensure the adherence to social responsibility principles. Also there are no such standard norms available for measuring, reporting and evaluating the social performance of a corporate enterprise.

There is a need to promote a drive in banking industry towards greater accountability on CSR. In order to attain the social objectives, there is a need for framing a CSR Policy in every banking and financial institutions for prioritization of activities for social spending and allocation of separate funds for this purpose. Moreover, to have an impact of the CSR spending and utilization of allocated budget, there should be a system of periodical monitoring and reporting to the Board of Directors. Banks must also provide appropriate training to its employees on environmental and social risks in lending to ensure that climate change is taken into account in corporate banking decisions. Further, regulatory authorities must envisage the regulations for initiating reforms in reporting practices. Further, voluntary actions are required to be taken by the financial bodies to ensure the socio-environmental feasibility of projects to be financed. Indian banking sector must also depict their socially responsible behaviour through integrating triple bottom line principle.

Conclusively, there are three suggestive measures which are advisable for a better CSR in these banks. First is to enhance and accelerate government's involvement in CSR activities, Second can be noted as development of a broad sector of the consulting in the era of CSR, and lastly media should increase its interest and play a vital role in the era of CSR.

9. Limitations

However, a number of limitations of this study could be identified. First, the study is limited to a sample of 3 Indian banks only hence more evidence is needed on the CSR activities before any

generalization of the results can be made. Second, the data was collected from the year 2010-16 and hence the results of the study cannot be assumed to extend to different study periods.

10. Scope of further Study

The study has a scope of further research where the CSR performance of banks can be related to financial performance of the banks.

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Change and Conflict Management

Munmun Goswami*

ABSTRACT

This paper is a study on the effect of change and how to successfully maneuver conflict situations arising out of such a change. Case studies/ examples (from industry) of success as well as failure stories, how such situations were handled and what could have been done to make it better – are analyzed, to conclude the best possible method(s) to handle such conflict situations arising out of organizational level change.

In today's rapidly transforming world, change is inevitable. In such scenario, conflict situations invariably arise. The success or failure of implementing change, be it big or small, minor or radical, depends on how such conflicting situation(s) is managed.

Conflict, at some level, is the reality of life in every workplace, arising out of contrasting personalities, interests, mannerisms and outlooks. Managing conflict is always a challenge, especially for HR team, as they are invariably called upon to act as negotiator or mediator. Especially in an environment of change, where status quo is threatened, uncertainty is high and future is unpredictable, individuals as well as groups behave in very different ways. Some may take flight, some may be in denial, yet others may be in full-on fight mode. Employees need to be handled accordingly, at individual level as well as group level, so that such conflict situation is negated and change is implemented successfully. The management has to be eternally prepared and positioned to envisage and anticipate any change, as much as possible – this can be done by regular monitoring of data, marketplace shifts, competitor assessment, relationships and country/ world environment. By being on top of these conditions, it can be possible to react timely and accurately. Another essentiality is open, honest communication and transparency - by keeping employees in the loop, they are less likely to be resistant and conflicted by change.

Keywords: *Change, conflict management, mediation, communication*

INTRODUCTION

Conflict may be defined as:

“Conflict is serious disagreement and argument about something important. If two people or groups are in conflict, they have had a serious disagreement or argument and have not yet reached agreement.

Conflict is a state of mind in which you find it impossible to make a decision.”¹

Change may be defined as:

“1. to make or become different; alter

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2. *to replace with or exchange for another*

3. *to transform or convert or be transformed or converted”²*

In today's rapidly transforming world, change is inevitable. In such scenario, conflict situations invariably arise. The success or failure of implementing change, be it big or small, minor or radical, depends on how such conflicting situation(s) is managed.

CONTEXT

Conflict, at some level, is the reality of life in every workplace, arising out of contrasting personalities, interests, mannerisms and outlooks. Managing conflict is always a challenge, especially for HR team, as they are invariably called upon to act as negotiator or mediator. Especially in an environment of change, where status quo is threatened, uncertainty is high and future is unpredictable, individuals as well as groups behave in very different ways.

The management has to be eternally prepared and positioned to envisage and anticipate any change, as much as possible – this can be done by regular monitoring of data, marketplace shifts, competitor assessment, relationships and country/ world environment. By being on top of these conditions, it can be possible to react timely and accurately. Another essentiality is open, honest communication and transparency - by keeping employees in the loop, they are less likely to be resistant and conflicted by change.

OBJECTIVE

This paper aims at understanding and studying the effect of change, especially how it gives rise to conflict(s), and how to successfully manoeuvre such conflicting situations arising out of such a change. Case studies/ examples (from industry) of success as well as failure stories, how such situations were handled and what could have been done to make it better – are analyzed, to conclude the best possible method(s) to handle such conflict situations arising out of organizational level change.

LITERATURE REVIEW

Right from the ancient times, we have multiple instances which prove that change can affect even the strongest of individuals. Patricia Benner (Director of Carnegie Foundation's Study of Nursing Education), has steered wide-ranging research on skill acquisition and clinical judgment in nursing practice. Based on the findings of her research, she has recognized four reasons why human beings try to adapt to change: embodied intelligence, background meaning, concern and situation.³

Conflict, hence, is inevitable, and while keeping it controllable can be a test, it is essential that the various sources of conflict are identified and mediated upon, before they escalate into full-scale clashes.

There are some simple ways to accept/ accommodate change –

1. Avoid the conflict – if it is too insignificant, then it is sometimes better to back up a step and gather more information, and then consider to whether avoid it altogether.

2. Accommodate – this helps, especially to show empathy and create a win-win situation. This also leads to de-emphasizing the reason for conflict successfully.
3. Compromise – coming to a middle-path again helps in creating a win-win situation and deflects the conflict situation.
4. Handle one issue at a time – while multi-tasking is a very commendable skill, during the change and conflict situations, it actually helps if it is segregated and tackled one at a time, maybe from simple to more complex issues.
5. Time – though it is not possible to control the timing a conflict arises, it is indeed possible to control the time at which it is addressed. It is best to be addressed when all parties are relatively calmed down and willing to come and discuss and address the issue amicably.

As a leader, it is difficult for handling the team, especially in the time of change and conflict situation. The challenges faced are especially exasperating because the cohesiveness of the team is tested in this kind of adverse situations. Some ways in which this can be done effectively are given below:⁴

1. Patient handling – “with great power comes great responsibility” (first quoted by Voltaire, popularized by uncle Ben of Spiderman). If we can adapt this to change management, we can safely say that with great change comes great resistance. Patience is the key here – constant feedback and conversation. Doubts clearing, open communication, helps in mitigating fear and motivating the team to carry forward the essential work required and be a part of it.
2. Managing conflict situations – a true leader is one who is able to help and understand each individual team member and address their needs and queries in their unique way. Quick and active response is essential, especially in disruptive situations, this is done by always remaining alert, eager and even ready to dive into the problem quickly. However, it needs to be kept in mind and assessed first whether interruption is actually required or not.
3. Dealing with setbacks – in the process of transition, flexibility is the key for survival. The steps cannot be pre-established and set down on stone. Morale upheaval is mandatory (the cheer-up speech), when a setback is faced (which is almost always inevitable), and this in turn acts as a team building adhesive. While being prepared is crucial, identifying the most critical steps and being prepared in advance always helps.
4. Protecting the team – if the team is cohesive, and believe and have faith in the leader, that makes half the job done. Supporting the team and backing them up ensures that this faith remains unmovable. Personalities, pride, uncertainty, or any of a number of unproductive or unprofessional interdepartmental conflicts may or rather will occur – and the team has to know that their leader’s support is there at all times. One way to ensure this is to always have an empathetic approach – building bridges and making connections, creating and maintain a culture of cooperation for mutual benefit.

5. Looking ahead to the future – As a leader, one of the key qualities to have is being a visionary, who can look and predict and maybe even shape the future. Perceiving distress before it can occur, or at least having an advance resolution ready, will increase the trust and faith in the leadership, and make the team work in unison.

DISCUSSION

Change is a permanent part of the business landscape, none can deny that. One who pretends to be an ostrich with head buried inside the sand, inevitably ends up being history, buried full bodied. Rapid and timely reactions essential to sustain in this kind of transformational disruptive era. It has often been observed that organizations, in spite of spending a lot of monetary and non-monetary resources into change management, are unable to achieve the desired outcomes. Most often than not, they fail, at times miserably. Having clarity on why it happens, can lead to taking requisite steps (what to do, and more importantly, what not to do), thus leading to success.

“Specifically, a study by the Katzenbach Center at Strategy& (formerly Booz & Co.) found that 48% of change initiatives fail because companies lack the skills to ensure that change can be sustained over time. Further, the study found that only 54% of major change initiatives are successful, which can be costly not only financially but in how it adversely affects the company culture and employee engagement and productivity.”⁵

The key points which leads to failure in adapting successfully to change, and how to rectify them, has been aptly said by Peter Drucker, the famous management guru. He says that:

1. Asking for too much – surveys have proved that there is indeed a thing called change fatigue. If too much is expected to be done within too short a time, especially without adequate planning, or rushed to roll out (to meet deadlines), it is quite likely to fail. In order to fix this, a culture or good job management is key. Leaders need to think prudently about how they initiate and undergo change if they want any such initiatives to succeed.
2. Lack of right skills in managers – doubt and confusion among employees when faced with new inventiveness makes them look up to the leaders. At that time, if the manager is unable to provide proper support and guidance, change and its resolutions fails. Management uncertainty slows momentum and acts as deterrent to successful change management. To fix this, the best practices of successful leaders maybe emanated, and lay emphasis on the change itself, not the mindset/ emotional reactions.
3. Lack of enthusiasm in leaders – if the top management itself is lacklustre in its approach to adapt to change, a mid-/junior-level employee doesn't hold much chance in succeeding himself/ herself. To fix this, strong support rather than mixed signals and clear-cut change management strategy plan is the need of the hour.
4. Ignoring the key influencers – absolutely no cases of successful change initiatives

can be found, where key rank-and-file employees are not bought-in. Change will always be going to fail if support of workers is not there, especially the key employees. To rectify this, Keith Ferrazzi, CEO of Ferrazzi Greenlight, says that “we find that bringing employees together in peer groups to discuss change initiatives can create accountability, mutual generosity, a judgment-free attitude and increased pressure on reluctant employees to change.”⁷

5. Fewer or limited rewards – employees as well as managers would lose enthusiasm and spark if they cannot perceive visible rewards for the additional effort being put in. Changing the reward policy, including those who coach and mentor, as well as the workers in the reward system. The enthusiastic employees should be treated and awarded for the extra effort they put in, and not considered as volunteers.

For continuing adaptive organization change, Robbins and Judge (2007) cite six dynamic environmental forces which are required:⁸

1. the nature and composition of the workforce,
2. technology,
3. emergent and evolving economies,
4. emergent and evolving competition,
5. social trends, and
6. world politics.

Robbins and Judge (2007) also states that resistance can be overt or covert, implicit or explicit, immediate or deferred. They also assert that resistance can be positive when it provides stability, predictability and constructive functional conflict, or negative when it prevents adaptation and progress.

FINDINGS

There are basically two types of conflicts which can occur in workplace – interpersonal and organizational.⁶ In order to manage interpersonal conflict, which may occur between individuals, for a number of reasons, be it office politics or personal clashes, the following approach can be taken:

1. Employees should be encouraged to manage and react/ response in their own way, rather than curb them and make them conform to a particular way. Each individual personality is different, and his/her perception and reactions to the same situation will not be identical.
2. Collaborative problem solving – in order to offset any worsening in the association, care has to be taken so that negative or aggressive blame game kind of scenarios are not fuelled. Accepting the fallacies and discouraging negative talks is a great way to go ahead in diffusing such situations.

In order to manage organizational conflict, which arise mostly due to hierarchy and clash of interests, as also limited resource allocation, workloads, accountability or

(perceived) partiality, the following ways may be adopted:

1. Ignoring – in case the situation is not so crucial or important, it will cause less damage than addressing it.
2. Communication – often there is a breakdown of communication between the warring parties, and hence it is essential to have a clearing the air by clarity of communication. Both sides need to be given ample opportunity to clear the air, put forth their perspective, and try and find a common ground from where to carry forward.
3. Compromising – coming mid-way always creates a win-win situation. All parties need to participate actively, helping in de-escalating the situation.

Change most of the time drives conflict. It is an undeniable fact of life. In a corporate setting, growth aspirations, new ventures, changes in global or local political environment, management turnover or even changes in policy can trigger conflict. While most of us get ruffled by change, giving rise to conflict, we need to remember that understanding and accepting the fact, shall in fact enable us to manage and manoeuvre the conflicting situations.⁹

This means administration must be equipped and ready to foresee the future of change. This can be done through marketplace shifts, monitoring of sales data, competitor moves and relationships with the stakeholders as also outside organizations. This would ensure timely response, which in turn keeps high morale and confidence. Along with open communication, where employees are to be kept in the loop and updated regarding the current scenario, it can be ensured that resistant and conflict to change is minimized.

CONCLUSION

To quote the famous theologian Reinhold Niebuhr:

“...grant me the serenity to accept the things I cannot change; the courage to change the things that I can; and the wisdom to know the difference”.

There are a number of reasons for which conflict arises, be it the matrix structure of the organization, ever-changing global scenario, various cultures and beliefs/ assumptions/ opinions/ ideas, insensitiveness to race/ gender/ age/ class/ education/ ability, as also the rapidly transforming workplace (which gives rise to uncertainty and change), and the scarcity of resources (be it physical or psychological).⁹

It goes without doubt that change is inevitable and that organizations must necessary change to remain competitive. Escalation, mediation, problem solving, forcing, conciliation, and negotiation are generally interventions to handle conflict situations.¹⁰

Interpersonal conflicts at work is as inevitable as any change. The possible consequences of conflicts, at most cases, work as a driving force and hence, an architect in guiding the change process. The societal associations at the workplace are mainly negatively affected by comprehensive stress and strain arising due to the change process. The hindrance caused by these tensions are directed superficially towards own colleagues and managers and leaders, which in turn gives rise to conflict situations.

The challenge lies in the ability to create an open, cooperative, communicative and empathetic culture, where conflicts are handled in a beneficial and intellectual manner, and such conflicts are in fact encouraged, whereas destructive sentimental conflicts are discouraged. This has been seen to be leading to increased innovation, flexibility, adaptability, cohesiveness, higher employee participation and a learning culture, all of that which are essential in making the change process an impressive achievement, rather than a headache-inducing anxiety situation.¹¹

Escalation as intervention generally lead to a low satisfaction level and was only successful when both actors escalated. Conciliation and mediation are found to be successful only when parties are OK with third-party inclusion in mediation. Problem solving is found to be successful only in case of simpler technical complexity, as an increased complex situation makes it inconsequential. Forcing generally has a negative effect, it acts as a deterrent to stabilized emotional state as satisfaction of the process and result is not obtained expected. This is understandable as none of us like forcing of any kind, be it in personal or professional life.

In order to successfully manoeuvre change and hence conflicting situations arising out of such changes, it has to be ensured that the right trade-off is done. Procedures, rules and regulations have to be modified, as also clear-cut strategy for change management has to be adopted. While strategizing, it is also imperative to keep in mind that any kind of strategy taken, should be always flexible, and willing to be adaptive in nature, so as to implement and be effective with the change.

To deal with conflicting values and to ensure that the right trade-off is taken, the organizations have many procedures and regulations. These have, together with the other structural causes, process variables, project context variables and interventions, effect on the success of managing intra-organizational conflict.

Conflict also has a positive aspect to it, as it can encourage collaboration, expand performance, harbour creativity and innovation and build deeper relationships. As Jim Collins wrote in his book, Good to Great, "all the good-to-great companies had a penchant for intense dialogue. Phrases like 'loud debate', 'heated discussions' and 'healthy conflict' peppered the articles and transcripts from all companies." As managers become better and effective leaders, they are able to enhance their skill sets further, becoming apt in managing differences and negotiating changes without giving rise to or at least minimizing conflict. This is fact, makes their team and in turn their organizations become better and more successful in all aspects.

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Entrepreneurship – Its Monitoring Evolvement and Success

Dwijadas Bandyopadhyay*

ABSTRACT

*Entrepreneur is anyone who spots an opportunity and decides to pursue it regardless of the resources currently at their disposal. They see what could be and find a way to make it happen, even if they don't have everything on hand to do so right now. It is a leap—a risk—but someone has to take such leaps if we want to develop innovative new products, build better organizations to develop the country towards a larger and strong socio economy platform. However, in India we find that parents dream to see their child as **Doctor** or an **Engineer**, even in risk free **Govt.** job. A need for academic study and framing guidelines for success of every entrepreneur is felt absolute necessary.*

Purpose: The paper examines:

1. *The importance of focusing Entrepreneurship Management in higher education at the graduation level is to be made compulsory. Subsequently, Masters degree in Entrepreneurship Management and finally introduction of Entrepreneurship Management as a specialisation field in MBA alike other field such as – Marketing, Finance, HR, Systems etc be introduced in existing academic curriculum*
2. *To ensure success of every entrepreneur by identifying areas that needs attention during the initial 5 years carrier of an entrepreneur. To assess and prepare possible solutions to the critical areas an entrepreneur face during the initial period. To impart specialised training to Entrepreneurs on Contemporary Management Practice to update and sharpen their existing skill.*

Methodology: *A statistical survey among entrepreneurs to find out their success rate in terms of their academic back ground. While doing so special focus is to be given on literacy level of every entrepreneur. During the survey various trouble shooting areas need attention to ensure success.*

Findings: *In absence of appropriate education often entrepreneurs get puzzled and decide to give up. Importance and need of causes of variance and mid course correction are not at all considered as a strong method of revival.*

Implication: *The overall results indicate that it would make more sense for students to take more comprehensive education in entrepreneurship management education. This should be of interest to academia and policy makers. Further, the educated skill will finally germanise in choosing entrepreneurial carrier. Preparation of a Manual which will provide answers to various difficulties faced by the entrepreneurs during the initial stage is of utmost importance. Providing training for up gradation of skill will certainly ensure success.*

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Originality: *The effect of entrepreneurship education and guiding entrepreneurs by providing continuous follow up and skill development training can be measured only after its successful implementation. It is expected that the result will improve the overall status of Small Scale Enterprises in India.*

Keywords: *Education, Entrepreneurship Education, Difficulties and Barriers, Skill development, Contemporary Management Practice*

INTRODUCTION

Entrepreneur is anyone who spots an opportunity and decides to pursue it regardless of the resources currently available at their disposal. They play a significant role in economic growth and development of a country. However, in India we find that parents dream to see their child as Doctor or an Engineer, even in risk free Govt. job. Hardly, a few student fulfil their parent's dream, others who hold major share get confused at X or XI standard and face a carrier of uncertainty. It is observed that during this crucial academic carrier of about fifteen years, hidden talents and leadership quality of a child is ignored. A candid person is compelled to fit himself with a regular salary or wage system. The ignorance and negligent attitude of parents restricts India from getting personalities like Mr. Lakshmi Narayan Mittal, Late Mr. Dhirubhai Ambani, Mr. N R Narayanamurthy, Late Purna Chanda Chandra, Mr. Chandra Sekhar Ghosh and so on and so forth.

Social systems are the main barriers in India for choosing carrier to be an Entrepreneur. Even if an individual chooses to do something independently, at first his family members, then neighbours and finally colleagues discourage him to do so. Various examples of uncertainty, risk, wastage of money and time and even specific cases of failure are projected before the aspirant to put nail on the coffin of his dream to be entrepreneur who will have tremendous opportunity for creating employment opportunity for others. Overall situation comes to such an extent as if becoming an entrepreneur is an act of mental disorder or lunatic.

However in spite of all odds the small-scale industries sector is considered to be the basis of economic development both in developed countries as well as in third world countries. Hence, small and medium size enterprises are becoming an object of interest both of the government, regional and local authorities and also various agencies, organisations and associations in India as well as in the whole world economy. The interest shown in Small Scale Sector's results not only form the fact that they make a significant and positive contribution to the country's GDP but also due to the fact that they play an important role in creation of jobs, innovations and investments, in supporting the sector of large enterprises, in imparting growth dynamics to poorly economically developed regions. Simultaneously, it is commonly recognised that a peculiar characteristic of small scale businesses is their high susceptibility to a business failure. According to detailed study and observation these failures experienced by small scale sector enterprises are mainly because of lack of skills and sufficient experience among their managers, negligence in the field of some aspects of their operational activity, insufficient system of control and unavailability of updated information, shortage of capital

or financial resources. Absence of contemporary management practices is accounted to be one of the main deficiencies among the cases of failures.

For a sociologist it is equally important that they also lay a valuable role in creating and supporting the spirit of entrepreneurship, without which no economy can develop effectively during a longer time. These orientations as regard to their content, structure and dynamics can be, to a large extent, both a factor stimulating and slowing down the process of market entrepreneurship development. This is due to the fact that development of entrepreneurship in the contemporary market economy is largely determined, on one hand, by a high dynamics of technological changes and, on the other hand, by a high dynamics of uncertainty in business activities both those carried locally or regionally and those of global character. The best example here can be the present economic crisis and its after effects on small scale sector in India due to demonetisation and sudden imposition of GST.

The MSME sector is reorienting its export strategy towards the new trade regime being ushered in by the WTO. By its less capital intensive and high labour absorption nature, SSI sector made significant contributions to employment generation and also to rural industrialisation. This sector is ideally suited to build on the strengths of our traditional skills, knowledge and innovative marketing practices. It is observed that since entry of large scale sector is not so promising in the Indian Industrial growth, it becomes most important and necessary to focus on SSI sector and draw suitable schemes to safeguard the carrier of every entrepreneur. Growth and development of this sector will ensure diversity in production system and demand structures which will ultimately ensure long term co-existence of many layers of demand for consumer products/technologies/processes. There will be flourishing and well grounded markets for the same products/processes, differentiated by quality, value addition and sophistication. This characteristic of the Indian economy will allow complementary existence of various diverse types of units. It will further lead to a grand success on the Government policy and decision to develop and protect the interest and future of the small scale sector. However, as said earlier the bugbear of the sector has been the inadequacies in capital, technology and marketing. The process of liberalisation coupled with Government support will therefore, attract the infusion of deficiencies in the sector. Small industry sector has been performing well but not up to the desired level in comparison to the growth rate of other developed as well as under developed countries in the world. It is ruled out that focus on Entrepreneurial carrier with success stories in the academic syllabus as stated will certainly boost up the entry of more entrepreneurs in the Indian ecosystem. Subsequently, constant hand holding professional guidance to every entrepreneur for the initial seven years will ensure success. These two steps although sound to be very easy, perhaps a system which starts from of “dreaming to be an entrepreneur and establishing as a successful entrepreneur” covers a considerable journey – We should focus, promote, safeguard the talent for success of India through the success of Small Scale Sector.

CONTEXT

It is revealed that in India Entrepreneurship is not at all been accepted as a strong platform for carrier development. Neither, the subject is given any important in the

education system that is presently being conducted in different academic board of studies. However, this subject has received immense importance even in small countries abroad. In the 1980s, Japan being a small country showed the significant success in small business because the government could highlight the success and advantages to be self employed. Since entrepreneurship is still not highlighted as a strong carrier platform and in absence of formal education in this field we find that 60% of the Indian entrepreneurs do not possess the requisite education as well as basic qualities to be an entrepreneur. Indian Government has started promoting entrepreneurship but entrepreneurs are not academically literate on their respective field which is one of the main causes of failure. Their ignorance of upgrading them through contemporary management practice is also a strong barrier to success. Accordingly, without losing further time our existing academic system should concentrate to introduce Entrepreneurship Management in Diploma, Degree, Post Graduate and MBA level to ensure flow of literate and capable individuals as Indian entrepreneurs.

It is further revealed that entrepreneurs often face various barriers which are identified as common symptoms of sickness, according to a sample survey which is faced by almost 70 – 75% of entrepreneurs during their early stage of 3 to 7 years. Accordingly, it is felt necessary to form a committee at every district level under the direct control of District Magistrate for hand holding guidance, monitoring, follow up and ensure success of every entrepreneur. The committee should have successful entrepreneurs who should be able to address the areas of sickness and suggest for suitable measures for timely recovery. It is also felt necessary to prepare a Manual – A guide book to entrepreneurs on various difficulties and sickness those an entrepreneur faces as barriers and suggested measures to address them. As an advance support, an expert committee should be set up at every state level where specific cases (as it is being done in case of medical emergency to save someone's life) should be handed over for ultimate recovery of a small unit. While doing so one should remember that death of a single small scale unit is ultimately the moral death of an entrepreneur, its employees, its suppliers, its loyal customers as well as family members who are directly or indirectly related with the unit.

OBJECTIVES OF THE STUDY

- To assess the feasibility to include a Subject called “ ELEMENTS OF ENTREPRENEURSHIP” from XI standard and subsequently Honours Degree at Graduation Level and finally Specialisation subject in Post Graduation and MBA Degree level. This will certainly create a different dimension since Entrepreneurship will get equivalent importance like other prospective carrier. The effort will ultimately develop and improve the flow of Entrepreneurs as well as reduce the risk element substantially since personnel choosing for this challenging carrier will have adequate knowledge on the subject matter
- To make strategic long term plan to promote Entrepreneurship from the School level by conducting various participative activities involving students. This will not only promote the subject but also enable to school authority to identify the entrepreneurial talent among the students
- To conduct Participative Workshop and Seminar on Entrepreneurship at College

and University level continuously including sharing success stories of the existing entrepreneurs available within the limit. The effort will certainly create a point of sensation among the senior student who are at the age of dreaming and finding a way to opt for the challenging carrier

- To assess and decide on the various sectors through which activities of every entrepreneur can be monitored for the initial 5 years
- To examine and draw on parameters for monitoring monthly activities and probable obstacles an entrepreneur passes through from the time of start up to initial 5 years
- To assess and document the possible reasons which can be termed as Symptoms of Sickness of an MSME unit and subsequent actions to be taken for early and systematic recovery
- To assess and draw guidelines in the form of manual which can be used for ready reference

LITERATURE REVIEW

As per the study of Organisation for Economic Co-operation and Development (an intergovernmental economic organisation with 35 countries to stimulate economic progress and world trade) about 60% of GDP is generated by small enterprises. The reason being large number of small enterprises guarantees a high degree of competition, and variety of economic activities that require millions of enterprises to be reasonable competitive and efficient. The indirect jobs created through forward and backward linkages are no less important. In real terms, the SSI recorded a growth of 41% during a span of 7 years (during 2014-15 — 510.57 lakhs as against 361.76 lakhs in 2006-7).

According to the Ministry of Micro, Small and Medium Enterprises, there are around 3.6 crore MSMEs and these provide employment to 8 crore people. They produce over 6,000 products which account for 8 per cent of the GDP, 45 per cent of manufacturing output and 40 per cent of exports. The growth rate of SSI sector during the various plan period although shows an upward trend but from the below table we can find that in percentage growth the rate is almost stagnant for a long period of nine years which can be considered as a long period.

Year	No. Of units	Growth in Fig (Fig in lakhs)	Growth in %
2006-07	361.76	—	—
2007-08	377.36	15.60	4.31%
2008-09	393.70	16.34	4.33%
2009-10	410.80	17.10	4.34%
2010-11	428.73	17.93	4.36%
2011-12	447.64	18.91	4.41%
2012-13	467.54	19.90	4.44%
2013-14	488.46	20.92	4.47%
2014-15	510.57	22.11	4.53%

Table No.1: Growth of MSME sector in India

SICKNESS OF MSME UNITS IN INDIA

An industrial unit is considered sick when its financial position is not satisfactory and it becomes worse year after year. It incurs losses and its capital reserves may be stretched out in course of time. When its current liabilities are more than current assets the organisation may not be in a position to pay its liabilities. The increasing trend in industrial sickness touching all types of units including small, medium and large-scale industrial sectors is of considerable concern.

Year	Share in GDP	Share in Total Manufacturing Output (Fig in %)
2006 – 07	35.13	42.02
2007 – 08	35.41	41.98
2008 – 09	36.12	40.79
2009 – 10	36.05	39.63
2010 – 2011	36.69	38.50
2011 – 2012	37.97	37.47
2012 – 2013	37.59	37.33

Table 2: Share of MSME Units in GDP and Total Manufacturing Output in India

Generalisations are also difficult because though there are firms which are growing rapidly, there also existence of sick units within this sector in India. The number of sick micro, small and medium enterprises (MSMEs) has doubled in the last four years. The number of sick MSMEs during 2015-16 has doubled to 4,86,291 compared to 2,22,204 sick units reported during 2012-13. The problem is assuming titanic proportion and may have added repercussions in a country like India which cannot afford unemployment and loss of production. The MSME sector is the worst hit. A Number of small industries are either born sick or stay sick. It is disturbing to note that despite sound academic qualifications and initial zeal of the entrepreneurs and full support by the financial institutions, in certain cases sickness still persists. Premature closure of MSME Units has been a continuous feature. Although the definition of sickness of an MSME unit has been getting changed day by day according to various authorities but whatever the changes may be ultimately it is sick by its health and clinical parameters.

REASONS FOR SICKNESS OF MSME SECTOR

It is very essential to know the reasons for sickness for better policy formulation. Our study revealed that about 66% of the sick units were facing lack of demand, followed by 45% in shortage of working capital and about 36% in marketing problems. The following table indicates the reasons given by unit suffering from sickness/incipient sickness.

<i>Sl. No.</i>	<i>Reason for Sickness</i>	<i>Proportion %</i>
1	<i>Lack of Demand</i>	66
2	<i>Shortage of working capital</i>	45
3	<i>Non availability of raw material</i>	12
4	<i>Shortage of Power</i>	13
5	<i>Labour Problem</i>	5
6	<i>Marketing Problems</i>	36
7	<i>Equipment Problem</i>	11
8	<i>Management Problem</i>	4

Table No.3: Various Reasons for Sickness in MSME Sector

DISCUSSION

The study revealed that the success rate of educated entrepreneurs are much high than a person who has set up his own business at a point where his initial motive was to get a secured job against a fixed monthly salary. A sample survey was carried out on the entry point where in it is found that among Indian entrepreneurs more that 60% obtained this carrier when there is no other employment opportunity available to them. Accordingly, success of entrepreneurs compelled to choose this carrier is also very poor. Our society is very much advanced and they prefer to decide on engagement or occupation of their members purely based on the carrier prospect. Therefore, one single failure of an entrepreneur is highlighted among 100 friends and their family members who always quote and highlight the story of failure in case of any aspirant shares with his friends or family members to opt or choose this sector as carrier. We have to ensure that all students get the opportunity to study Entrepreneurship Management at XI – XII level and able to handle primary issues when they select and choose their carrier in this field. Subsequently, effort should be made to inbuilt a system through which every registered entrepreneur get the opportunity for upgrading his skill and develop himself and able to adhere to Contemporary Management Practices.

FINDINGS

In absence of appropriate education often entrepreneurs get puzzled and decide to give up. Importance and need to find out causes of variance and mid course correction are not at all considered as a strong method of revival. In India it is proved that hardly people choose this sector as their carrier and dropping out in-between after facing a few hiccups are also very common. One way we have to ensure flow of entrepreneurs through proper education, motivation lectures, case studies, success stories and the other way we have to ensure success of every entrepreneur through proper guidance, interaction and assurance of safety. Our Govt. do not spend for development of an

entrepreneur alike a Doctor or an Engineer. Comparatively the importance of a successful entrepreneur is no less since he not only establish himself but also ensure wellness of a large quantum of people who are directly or indirectly related with him. It is strongly felt that time has come when we have to ensure success of every entrepreneur by providing safety and security.

CONCLUSION

This paper has analysed the possible opportunities to highlight the carrier prospect in the field of entrepreneurship management. The academic process as suggested to start at school level and will end at MBA level with specialisation in Entrepreneurship Management. It is expected through proper motivation, case study and success story the educated skill will finally germinate in choosing entrepreneurial carrier. Further, it is suggested that we have to build a system which should work 365 days to address various difficulties and barriers being faces by small scale entrepreneurs. Effort should be made to provide best solutions to every entrepreneur through proper diagnosing the disease in order to ensure early recovery and wellness of every unit. We have to remember that initially a small scale entrepreneur cannot afford to higher to many managers to handle various departments, instead he acts as head of multiple department. Accordingly, the Government must design to provide requisite skill development training to upgrade the knowledge and skill to handle day to day management issues. Finally, we should be optimistic that through continuous effort we will succeed in spreading the **“ESSENCE OF ENTREPRENEURSHIP”** among new generation and ensue security and success in their challenging carrier. The efforts undoubtedly improve and further strengthen India’s position in global MSME platform.

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ICT Adoption: An Agenda for Research

Dr. Ashish Gupta*

ABSTRACT

In the era of digital economy, business firms are developing their core competence based on the use of information and communication technologies (ICT), which is now core element of sustainable business in today's market. The purpose of this paper is twofold, first, to examine the driving factors and strategies in adoption and acceptance of information and communication technologies (ICTs) in this era of globalization. Second, this research further highlights the different theories and models derived to assimilate the ICT as a process of business. The paper is based on a review of literature of past researches conducted in the related field, which gives an insight to carry out a new study in the context of ICT adoption and its effect of business performance, user behavioral intention and attitude toward ICT in different segments of economy.

Key words: Information and Communication Technologies (ICT), Research, Models

INTRODUCTION

The term ICT in this study is used to refer to all kinds of information technology terminologies, for example, e-commerce, e-business, the internet, and web technologies. ICT is fast becoming one of the main drivers of change in organizations (Adebambo & Toyin, 2011). Ritchie & Brindley (2005) describe ICT as "the array of primarily digital technologies designed to collect, organize, store, process and communicate information within and outside an organization". According to Apulu & Latham (2011), the rapid development of ICT has changed the conventional way of conducting businesses in many organizations, while Erumban & de Jong (2006) advocate that ICT has created a revolution by making the world seem smaller and improving potential economic growth. Information and communication technology (ICT) systems are widely used in organizations and their use has many favorable consequences, because they support interaction and collaboration, workplace learning (Andriessen, 2003), and work performance (Ciborra & Patriotta, 1996; Jones & Kochtanek, 2004; Nunamaker, 1997; Orlikowski, 1996). Several studies demonstrate that ICT investments are beneficial for performance and productivity (Bharadwaj et al., 1999; Hitt & Brynjolfsson, 1996). However, the implementation of an ICT system always entails both organizational and individual changes (Rogers, 1995; Van de Ven, 1986), and therefore user adoption and establishing the use of ICT systems have proven challenging in organizations (Bullen & Bennet, 1990; Burns et al., 1991; Grudin, 1989; Kwon & Zmud, 1987; Orlikowski, 1991). The challenges and problems associated with the implementation and adoption of ICT

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systems have led scholars and practitioners to seek to understand and manage the processes and phenomena related to the topic, spawning an extensive literature on the field (Jeyaraj et al., 2006).

Based on the objectives of the study, following research questions concerning the literature on the implementation and adoption of ICT systems in business and IT research is designed.

1. What theories and models are used to understand ICT system implementation and adoption?
2. What are the factors responsible for the implementation and adoption of ICT system

THEORIES AND MODELS OF ICT ADOPTION

1. Approaches of ICT Adoption

So far, many theories and models have been proposed to interpret the adoption of ICT in a system. Studies on ICT adoption tend to take three (3) main approaches according to Pedersen (2005), namely the adoption approach, the domestication approach and the diffusion approach.

2. Adoption Approach

In this approach, social and individual decision-making concepts are applied in order to explain the adoption decision of users. Some well-known models in this sphere are; Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA), and Theory of Planned Behavior (TPB). The TAM suggests that when individuals are presented a new technology, a number of factors influence their decision about how and when they will use the said technology (Manueli, Latu, & Koh, 2007). These factors are perceived usefulness and perceived ease of use. These theory was introduced by Davis (1989) and has since then been used by many scholars in the technology adoption elated studies. TAM is sometimes criticized for not controlling external factors (variables) such as economic factors, influence from competitors, suppliers and other effects in its analysis of the decision-making factors. The Theory of Reasoned Action (TRA), which was introduced by Fishbein & Ajzen in 1975 & 1980 respectively, has been integrated into the TAM to overcome some of its weaknesses. The TRA is based on behavioral intentions; one's attitude towards performing the behavior and one's subjective norm with respect to performing a behavior. Theory of Planned Behavior (TPB) is an extension of the TRA. It deals with conditions where the individual has no control of their behavior (Manueli, Latu, & Koh, 2007). This model has been applied to decipher people's behavior in several fields such as public relations, advertising campaigns and others. Studies of Adoption of new technologies are usually applied for marketing research. As industry players can use this model to evaluate the adoption potential of a new product. For example, Pedersen (2005) in his study on the adoption of mobile internet services found that there was a significant relationship between perceived usefulness of the technology and external influences such as disposable income of households. This kind of findings can help the service provider when trying to sell his product in a new locality.

3. Domestication Approach

Domestication approach focuses on the process in which technology becomes an integral part of our everyday habits (Manueli, Latu, & Koh, 2007). Thus, it emphasizes on the process by which a technology find its way into our day-to-day activities. This approach emerged from an empirical and theoretical projects influenced by emerging literature on consumption in the early 1990s (Katz, 2003). Pederson (2005) suggests that domestication research findings should be used to provide a model that would explain the adoption of complex technologies such as mobile telephony services. Studies of this sort could be aimed at explaining the adoption process or describing the consequences of a new product's use from a social perspective. Fischer (1992) using a domestication approach analyzed how the telephone technology permeated and transformed the essence of daily activities. Other technologies that have been studied using this approach are television and personal computers (Silverstone & Haddon, 1996). Here, they focused on explaining the dynamics of innovation, by privileging the role and perspective of the consumer. In other words, they looked at ICT as a social and cultural process.

4. Diffusion Approach

A classical diffusion approach is Rogers diffusion of innovation theory. Rogers diffusion of innovation theory involves the process by which an innovation is communicated through certain channels over time among the members of a social system (Rogers, 1962). Here, the characteristics of the innovation as perceived by the members of a social system, determine its rate of adoption. This theory comprises four elements: innovation, communication channels, time and the social system. In sum, new ideas are conveyed through networks and depending on the nature of the network and the role of its opinion leaders, the innovations are either adopted or rejected (Manueli, Latu, & Koh, 2007).

MODELS OF ICT ADOPTION

There are many theories used in IS research (Wade, 2009). The most used theories and models are the Technology Acceptance Model (TAM) (Davis 1986; Davis 1989; Davis et al., 1989), Theory of Planned Behaviour (TPB) (Ajzen 1985; Ajzen 1991), Unified theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003), Diffusion of Innovation (Rogers, 1995), and the Technology, Organization, and Environment framework (Tornatzky and Fleischer, 1990). Further we can also classify these models in two broad categories such as: Individual level (TRA, TAM, TPB and UTAUT) and Firm level (DOI and TOE framework). These models discussed as under:

THEORY OF REASONED ACTION (TRA)

According to the Theory of Reasoned Action (TRA), behavior can largely be predicted by the individual's attitudes towards performing the behavior in question, through the intervening effect of behavioral intention. The important attitudes in this process are those that are specific to the specific behavior being studied, it is not sufficient to consider the individual's attitudes more generally (Ajzen 1988; Fishbein & Ajzen 1975). The theory also postulates that a person's intentions about performing a behavior (which ultimately

determine whether they will do so) are influenced by social pressures or “subjective norms”, which arise from their individual’s perceptions of what others will think about them performing the behavior in question (Vallerand, et al., 1991). The theory of reasoned action takes what Cooper, Shapiro, & Powers (1998) have described as a functionalist perspective and rests on the assumption that the decision to engage in a behavior is based on the outcomes that the individual expects to accrue from the behavior.

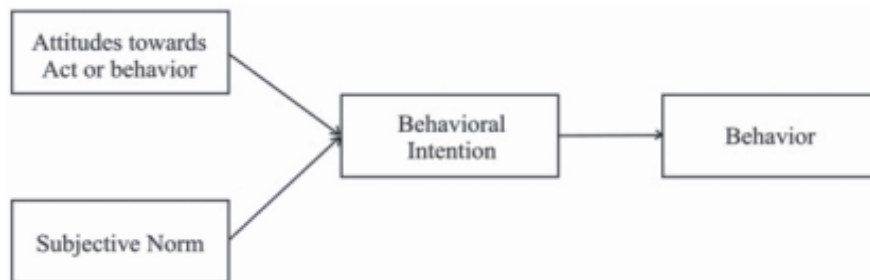


Figure 1: Theory of Reasoned Action (Fishbein & Ajzen, 1975)

TECHNOLOGY ACCEPTANCE MODEL (TAM)

The TAM was initially proposed by Davis (1989). It comprises two beliefs, the perceived utilities and the perceived ease of application, which determine attitudes to adopt new technologies. The attitude toward adoption will decide about the adopter’s positive or negative behavior in the future concerning new technology. The Technology Acceptance Model (TAM) (Davis, 1989) measures perceived usefulness and perceived ease of use as predictors of a user’s intent to use computer technology, and their actual usage on the job. Extending the Theory of Reasoned Action (Ajzen & Fishbein, 1980) to technology, Perceived usefulness (PU) is defined as “the degree to which a person believes a particular system would enhance his or her job performance.” Perceived ease of use (EOU) is defined as “the degree to which a person believes that using a particular system would be free of effort.” ‘Usage intentions’ (BI) was measured through self-predicted future usage and ‘user acceptance’ was measured through self-reported current usage.

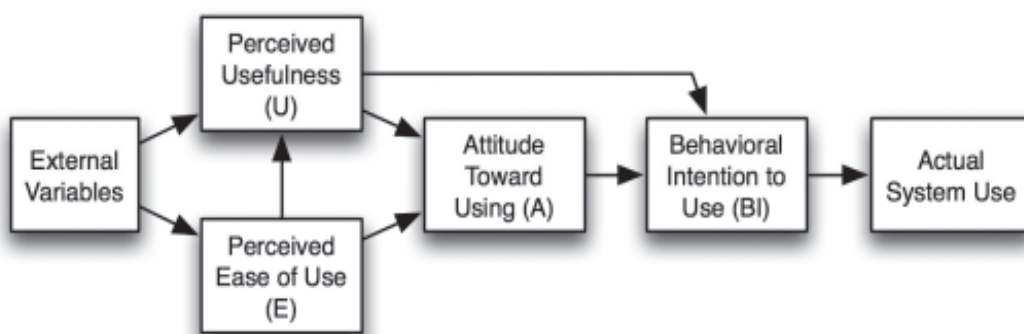


Figure 2: Technology Acceptance Model (Davis, 1989)

THEORY OF PLANNED BEHAVIOUR (TPB)

The theory of planned behavior is an extension of the theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) made necessary by the original model limitations in dealing with behaviors over which people have incomplete volitional control. Theory of planned behavior is the individual intention to perform a given behavior. Intentions are assumed to capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior. Concepts referring to behavioral dispositions, such as social attitude and personality trait, have played an important role in these attempts to predict and explain human behavior (Ajzen, 1988; Campbell, 1963; Sherman & Fazio, 1983). The TPB is comprised of six constructs that collectively represent a person's actual control over the behavior.

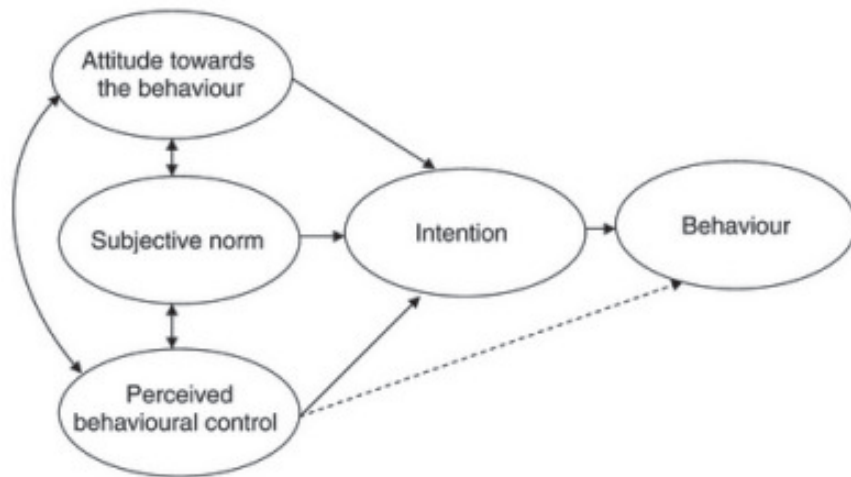


Figure 3: Technology Acceptance Model (Ajzen, 1991)

UNIFIED THEORY OF ACCEPTANCE AND USE OF TECHNOLOGY (UTAUT)

UTAUT was introduced and developed by a decade ago, based on eight Technology Acceptance competing models. These models and theories are the Theory of Reasoned Action (TRA), the Technology Acceptance Model (TAM), the Motivational Model (MM), the Theory of Planned Behavior (TPB), a model combining the Technology Acceptance Model and the Theory of Planned Behavior (C-TAM-TPB), the model of PC utilization, the Innovation Diffusion Theory (IDT), and the Social Cognitive Theory (SCT) (Venkatesh et al., 2003). The theory was established on four theoretical constructs representing determinants of Intention to Use or Usage Behavior, which play essential roles as surrogates of Technology Acceptance. These constructs are: Performance Expectancy, Effort Expectancy, Social Influence, and Facilitating Conditions. In addition to these variables the theory considers also moderating factors which moderate the relations between various variables and Intention to Use. The Moderators are Gender, Age, Experience, and Voluntariness of use.

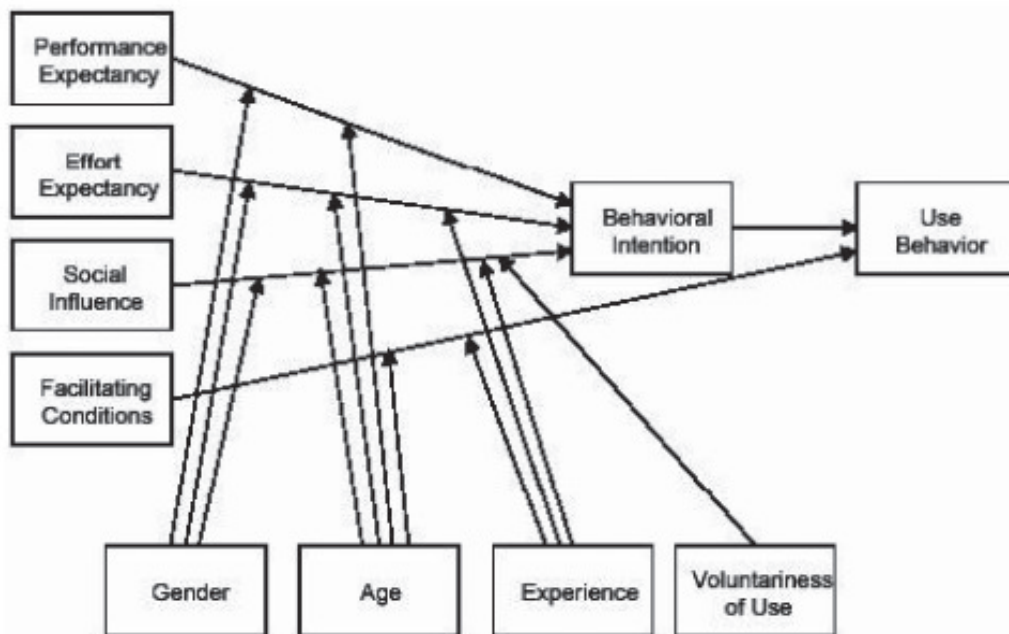


Figure 4: Unified theory of Acceptance and Use of Technology (Venkatesh et al., 2003)

DIFFUSION OF INNOVATION MODEL (DOI)

Diffusion of innovation (DOI) is a theory of how, why, and at what rate new ideas and technology spread through cultures, operating at the individual and firm level. Based on DOI theory at firm level (Rogers, 1995) innovativeness is related to such independent variables as individual (leader) characteristics, internal organizational structural characteristics, and external characteristics of the organization. (a) Individual characteristics describe the leader attitude toward change. (b) Internal characteristics of organizational structure includes observations according to Rogers (1995) whereby: “centralization is the degree to which power and control in a system are concentrated in the hands of a relatively few individuals”; “complexity is the degree to which an organization’s members possess a relatively high level of knowledge and expertise”; “formalization is the degree to which an organization emphasizes its members’ following rules and procedures”; “interconnectedness is the degree to which the units in a social system are linked by interpersonal networks”; “organizational slack is the degree to which uncommitted resources are available to an organization”; “size is the number of employees of the organization”. (c) External characteristics of organizational refers to system openness.

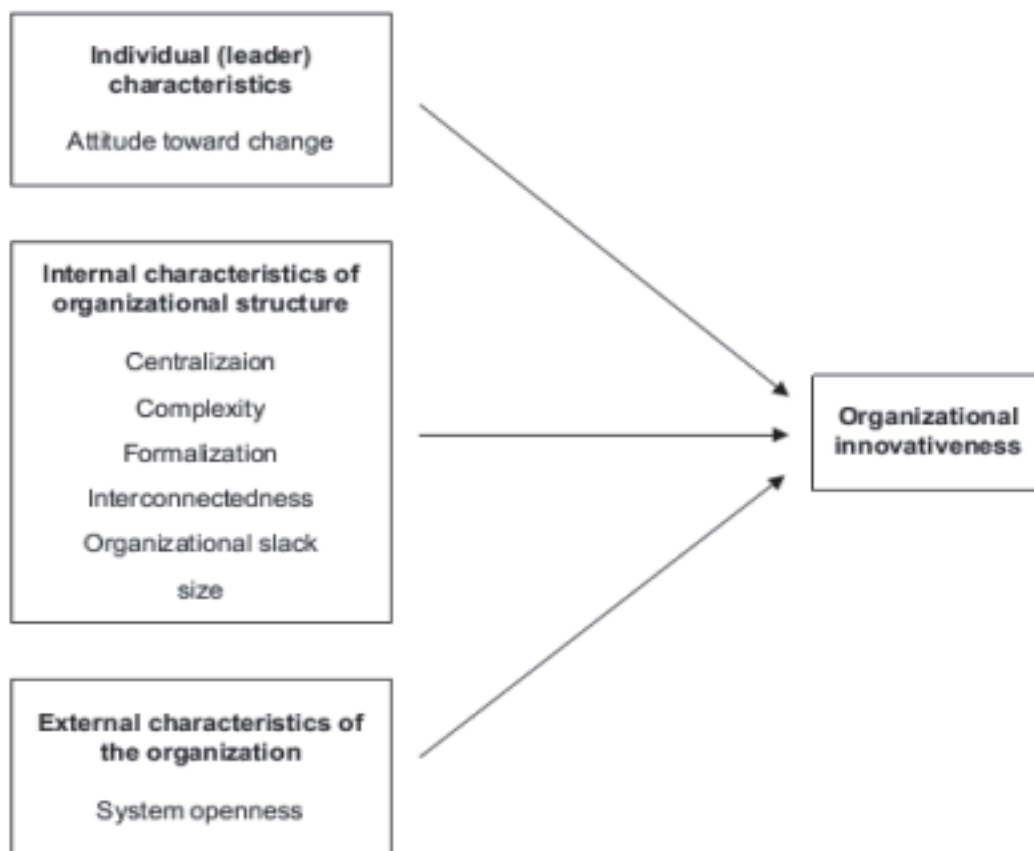


Figure 5: Diffusion of Innovation Model (Rogers, 2003)

TECHNOLOGY, ORGANIZATION, AND ENVIRONMENT FRAMEWORK (TOE)

This Theoretical framework developed by Thornatzky & Fleischer in 1990, which identify the features of technology, the organizational readiness of the firm, and the environmental conditions as key drivers of technology adoption. It identifies three aspects of an enterprise's context that influence the process by which it adopts and implements a technological innovation: technological context, organizational context, and environmental context:

(a) Technological context describes both the internal and external technologies relevant to the firm. This includes current practices and equipment internal to the firm (Starbuck, 1976), as well as the set of available technologies external to the firm (Thompson, 1967; Khandwalla, 1970; Hage, 1980). (b) Organizational context refers to descriptive measures about the organization such as scope, size, and managerial structure. (c) Environmental context is the arena in which a firm conducts its business—its industry, competitors, and dealings with the government (Tornatzky & Fleischer 1990).

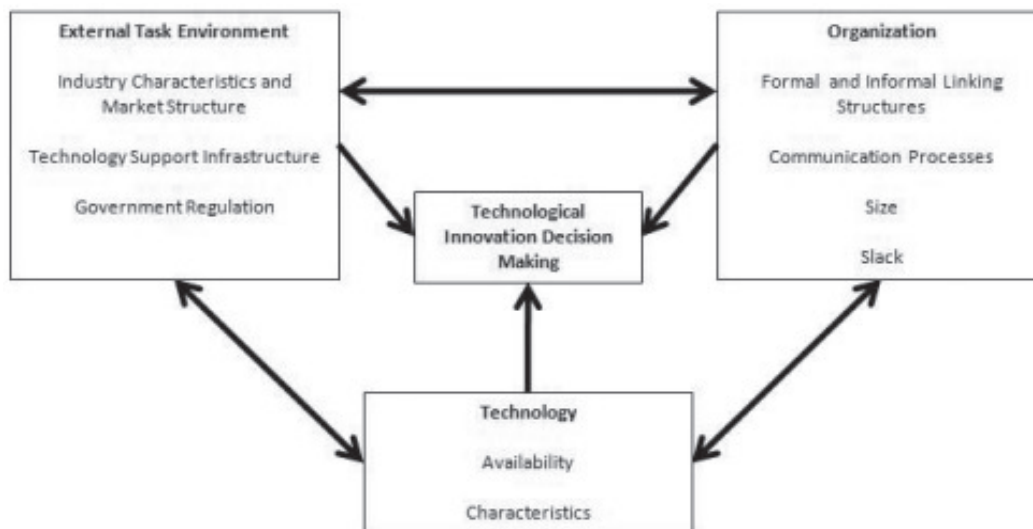


Figure 6: Technology, Organization, and Environment Framework (Thornatzky & Fleischer, 1990)

FACTORS INFLUENCING ICT ADOPTION AT FIRM AND INDIVIDUAL LEVEL

From the literature review studies, several factors are identified which has an influence on the business performance at firm level and user's perception at individual level towards ICT adoption. The detailed discussion as under:

Factors Influencing ICT Adoption at Firm Level

- 1. Relative Advantage:** The literature study revealed that to acquire relative advantage in business, proper management control is essential. Adoption of ICT gives the competitive advantage to the organization. Adoption of ICT increases the effectiveness, efficiency and management control in the business (Lee & Runge, 2001). Relative advantage is defined as the "degree to which an innovation is perceived as being better than the idea it supersedes" (Rogers, 2003). Many previous studies indicated that relative advantage is a strong predictor of the rate of ICT adoptions and usage (Migiro & Ocholla, 2005; Thong, 1999; Tornatzky & Klein, 1982). Kendall et al. (2001) also suggest that relative advantage strongly predicts the adoption of e-commerce among Indonesian SMEs. According to Lee & Runge (2001) the positive perception of the entrepreneurs on relative advantage determines the adoption of ICT.
- 2. Compatibility:** Compatibility is the "degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters" (Rogers, 2003). Several previous studies have indicated that the compatibility of the new and old system is a significant predictor of innovation adoption (Kendall et al., 2001; Moore & Benbasat, 1991; Thong, 1999). Additionally, Lee

(2004) argues that business owner-managers are likely to adopt new ICT when they perceive the adoption of technology is compatible with their current state of business.

3. **Complexity:** Complexity is the “degree to which an innovation is perceived as relatively difficult to understand and use” (Rogers, 2003). The term complexity refers to the extent to which the system is complicated and difficult to be learned and exploited in the organization. Complexity may refer to the extent to which the new information system is different from the existing information system. If users perceive the information system as too complex, there is a high possibility of rejecting the new information system. Some of the previous studies have significantly indicated that information system complexity is negatively related to its adoption and usage (Cheung et al., 2000).
4. **Perceived Social Influence:** Social influence in our study refers to the “social status gained in one’s reference group as a function of using Information and Communication Technology”. Social influence is among the key predictors of innovation based on non-benefits or no-profitability arguments towards innovation adoption (Tornatzky & Klein, 1982). In developing countries, it is possible to adopt ICT simply because society perceives that organisations using ICT in their business are of high social status. Davis et al., (1989) support that a multi personal information system, for example e-mail is more influenced by social values as compared to a stand-alone computer application like Microsoft Word.
5. **Organization’s Location:** Organisational location in our study refers to the geographical location of the firm relative to the important supporting ICT infrastructure and supporting services. Firms located in the rural areas have limited access to ICT vendors, internet service providers (ISPs), ICT technicians, and institutions that provide ICT support and training courses. Sheriff (2007) also suggests that the geographical diversity of the country contributes significantly to the varied development of ICT adoption across the country.
6. **Organization’s Size:** The size of the hotel has an important effect on ICT adoption propensity. Effective adoption of Several ICT technologies requires a substantial investment of resources. Lack of resources may affect the inclination of small industries to adopt costly ICTs and therefore large firms can be expected to be more inclined to ICTs (Wei et al., 2001). Size of the organization can influence implementation of information and communication technologies come from theoretical view that the size of the enterprise is important organizational factor (Blau and Schoenherr 1971; Mintzberg, 1980).
7. **Top Management Support:** The perception of the management on ICT adoption benefits emerges as a crucial input to the successful adoption and usage of ICT for the business (Martin & Matlay, 2001). Therefore, we find that top management support can encourage the adoption of ICT (Premkumar & Roberts, 1999). If the top management has a positive attitude towards ICT adoption and usage, then there is a high likelihood of allocating the necessary resources for ICT adoption and

usage. The top management can also spearhead an ICT adoption and usage process through effective communication to the employees.

8. **Competitive Pressure:** Market competition is increasingly becoming a driving force to adopt and use ICT. Porter (2001) argues that the advent of electronic technology has created a new means of business competition. Currently, firms are competing on how to reach the customers faster and providing high quality services than their counter parts. Therefore, the extent of market competition is indeed one of the driving forces towards ICT adoption and usage among the SMEs in both developed and developing countries. Previous studies have also indicated that competitive pressure influences the firms to adopt and use ICT as part of their strategy (Buhalis & Deimezi, 2004; Migiro, 2006).
9. **Government Support:** It is the infrastructure support provided by the Government in the adoption and implementation of information technology in SME. Firms expect the Government policy should be favorable for the smooth adoption of ICT. If a separate budget is allocated for the adoption of the ICT in SME then it is expected that the adoption of the ICT will be easier (Jeon et al., 2006; Wymer & Regan, 2005). There are several government intervention examples in the literature, for example, Mendo & Fitzgerald (2005) evidence that the UK government used the adoption staged model to encourage e-business adoption among SMEs.

FACTORS INFLUENCING ICT ADOPTION AT INDIVIDUAL LEVEL

1. **Perceived Usefulness:** Perceived usefulness refers to “the degree to which a person believes that using a particular system would enhance his or her job performance”(Davis, 1989; Davis et al., 1989; & Mathieson, 1991).The perceived usefulness was found to affect adoption of and intention to continue using services in a number of studies (Al-Sukkar & Hasan, 2005; Cheung, 2001; Kamel & Hassan, 2003; Kolodinsky & Hogarth, 2001; Kolodinsky, et al., 2004; Ravi, Carr & Sagar, 2007; and Vatanasombut, Lgbaria, Stylianou & Rodger, 2008). According to Burke (1996), perceived usefulness is the primary prerequisite for mass-market technology acceptance, which depends on consumers’ expectations about how technology can improve and simplify their lives (Peterson et al., 1997).
2. **Perceived Ease of Use:** Perceived ease of use refers to “the degree to which a person believes that using a particular system would be free of effort”(Davis, 1989; Davis et al., 1989; Mathieson, 1991). Linkages between PEOU, PU and attitude in TAM theory have been empirically verified in the IT literature. Several studies have employed different usage measures and found them consistent with original TAM results, that is, its two beliefs have a close correlation to attitude (Adams et al., 1992; Igbaria et al., 1996; Burton-Jones & Hubona, 2005).
3. **Perceived Enjoyment:** Igbaria et al. (1994) and Moon & Kim (2001) viewed Perceived Enjoyment as an intrinsic source of motivation, referring to the performance of an activity for no apparent reason other than the process of performing by itself. Similarly, a system perceived to be easy to use will be conceived as more fun than one which is cumbersome to use. An individual can experience

immediate enjoyment or fun from using a specific system, and perceive any active involvement in using new technology to be enjoyable in its own right (Davis et al., 1989; Igbaria et al., 1994).

4. **Risk Acceptance:** Risk acceptance refers to the likelihood for respondents to provide personal information to online entities such as web sites. It can also be defined as the propensity of individuals to provide personal information in order to enter into online marketing promotions to receive gifts, enter a contest or get future discounts. Research has shown that establishing trust between consumers and marketers and providing consumers some degree of control over the disclosure of their personal information in the online setting may reduce privacy concerns (Malhotra et al., 2004; Milne et al., 2004; Urban et al., 2000). The perception of the relatively high risk associated with performing financial transactions over the internet may actually hinder Internet banking adoption (Kamel & Hassan, 2003).
5. **Subjective /Social Norms:** Subjective/Social norms refer to a person's perception of the social pressures put on him to perform or not perform the behaviour in question" (Ajzen & Fishbein, 1980). The effect of social norms on adoption and intention to continue using banking services was supported by some studies (Ravi et al., 2007) and rejected by others (Ok & Shon, 2006; Shih & Fang, 2006; and Wan et al., 2005).

CONCLUSIONS

This paper made a review of literature of ICT adoption models at the Individual and firm level. It also helps in terms of identification of factors responsible for implementation and adoption of information and communication technologies (ICT) at firm and individual level. In terms of future research, we can consider that for more complex new technology adoption it is important to combine more than one theoretical model to achieve a better understanding of the IT adoption phenomenon. The theoretical implications drawn from our study findings enrich the ICT adoption and usage studies, and provide foundations for conducting research in the area of e-business, e-commerce and IT enabled services.

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Impact of factors associated with eHealthcare behavior

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ABSTRACT

The objective of this research was to find out the factors that affect usage and preferences of E-patient behaviour. The study explored and examined the predictors that affect the health service utilization by applying the Andersen model. For analysis purpose SPSS software has been used .It was a survey based research. A questionnaire of 33 questions have been used for data collection .Sample size of this study was 200, one hundred each from Delhi and Kolkata. The data generated from this questionnaire have been processed using the statistical tools (Regression Analysis, Factor Analysis and compared means). The respondents who used internet regularly were aware of the eHealthcare services and benefits. The alpha value of reliability statistic was .705, which was acceptable. The value of KMO statistic was acceptable. In the regression analysis R value represented the simple correlation which indicated high degree of correlation. R2 gave information about goodness of fit of a model. R2 of 1 indicated that the regression line perfectly fits the data. In this research R2 value was close to 1. The research finding demonstrated that the health related purpose by user was positively associated with the usage, availability, Frequency, accessibility, efficiency, validation, distance of nearest hospital, education, fulfilment factors with the satisfaction. On the other side, Gender was not associated with the satisfaction of the respondents. For the comparison purpose regression and compared means statistics has been used. An application of the Andersen Model (Predisposing, Enabling and need factors) held true for eHealth care behaviour of the users.

Keywords: eHealth, e-patient, Healthcare Utilization, Patient Satisfaction

INTRODUCTION

Health care is a major issue for a country's welfare status in all levels, either economically and socially, or demographically. We live in an age that the health care sector demands on reducing costs and simultaneously on improving its quality and access to all (Docteur & Oxley, 2003). The appearance of information technology into society, and consequently into healthcare, has led to the fact that the term e-health is increasingly used. In the last years, a number of pressures in the traditional National Health Systems are emphasising the need for changes. In fact, healthcare systems around the world face major challenges, even if their nature and scale vary significantly between industrialised and developing countries. In the same time, the knowledge flow in the contemporary society notifies the need for the use of new technologies both for the support of the traditional medicine through local, national and global sharing in practice methods and clinical outcomes and in a second not so apparent level for the empowerment of citizens as self-

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coordinators of their being.

The Internet has provided a powerful platform for changing the way people deal with health issues. More than 45 Percent of Indians now have access to the Internet, either via mobile or computer. Health information provided via the Internet can range from educational interventions (Glasgow et al., 2011), to online support groups (Eichhorn, 2008), to information about do-it-yourself genetic testing services available to the general public. Speaking broadly, e-health – the delivery of health information and services via the Internet and related technologies (Eisenach, 2001) – provides a virtually limitless set of tools and opportunities for improving users' health.

The full potential of e-health to improve users' health, however, may be limited by users' health literacy. Health literacy – the ability to obtain, process, and act appropriately on health information – is a major contributor to health outcomes and it is a major factor to decide the usage and preference behaviour of an e-patient (Nielsen-Bohlman, Panzer, & Kindig, 2004).

Health services utilization is not created by a simple health condition, but is a final outcome after creating health needs based on socioeconomic factors. This becomes the foundation of theories on health needs and is important when determining the aspects of health services utilization. Moreover, in the behavioural model, an individual's demographic, socio-structural, and economic factors affect health services utilization along with disease factors. Using this theoretical background, multiple studies have examined individuals' socioeconomic factors and the characteristics of the communities to which the individuals belong, in addition to the disease factors, to analyze health service utilization. The results suggest that health services utilization is basically motivated by individual illness, but the quality and quantity of health services utilization vary significantly based on socioeconomic factors, such as income or health-insurance status. Mean while, the health and medical field conventionally use the health belief and Andersen theoretical models to explain services utilization. Of the two, the Andersen model, which explains that the service utilization is determined by predisposing, enabling, and need factors, is used broadly as a theoretical model that analyzes predictors of health services utilization. This may also be a suitable model when exploratory research is needed due to lack of previous studies on outpatient and inpatient health services utilization, as in this study.

LITERATURE REVIEW

Health is generally viewed in terms of process rather than outcome, and technology is seen as means to supplement, rather than replace human activity. One of the more commonly-cited definitions presents health as 'an emerging field in the intersection of medical informatics (eyfenbach, 2001), public health and business, referring to health services and information delivered or enhanced through the Internet and related technologies.

Age appears to affect the uptake of, and satisfaction with, eHealth services. In a questionnaire survey of 235 gynaecology patients in New Zealand, Brenner (Brenner,2003) found that people between 50 and 60 years of age found a web-based

gynaecology results reporting service less user friendly than those in their twenties.

Economic status also appears to affect uptake of eHealth services. In a subset of a wider UK study, Blackburn and Read analyzed data from postal questionnaires on Internet use for 788 careers of disabled children (Blackburn and Read, 2005) . Non-Internet users were less likely to be in paid employment, more likely to be living in rented accommodation and less likely to have access to a PC at home. Similar findings were identified in questionnaire survey of 718 people from three disparate communities in Australia (Dart. 2008).

In their study of direct Internet use (James *et al.*2007) noted that patients whose cancers are typically associated with lower socio-economic classes (bladder head and neck cancer) reported lower use of web-based information; those from semi- or un-skilled backgrounds reported lower Internet use generally.

(Dickerson *et al.*2004) study on Internet access, whether patients had attended or not attended college was, along with ethnicity, a significant predictor of online health information seeking behaviour. Similar findings were reported by(Fogel *et al.*2002) and by (Peterson and Fretz, 2003) who also found that achieving a higher level of education and having a larger annual income were associated with higher computer use at home (100% vs. 34%) and higher Internet access at home (100% vs. 28%).

A lack of interest was also noted in Peterson and Fretz's study of Internet use (Peterson and Fretz, 2003). Structured interviews to examine Internet use by 200 cancer patients in the USA revealed that perceptions of information accuracy acted as barriers to use . (Helft *et al* 2005). found that although 44% of non-users would access cancer information via the Internet if they had access, 49% were not interested in using the Internet as an information source, possibly as a consequence of not knowing that cancer information was available via this route.

Openness to using eHealth resources was also highlighted as a facilitating factor in Flynn *et al.*'s study of Internet health information seeking. (Flynn et al.2003)

(Dart 2008) noted that frequent Internet users were more likely to access health information, and to consider it more important.

In a telephone survey of 500 Americans seeking to compare health information use between those who were sicker and those who were healthier, (Houston and Allison, 2002) found an association between lower health status and a shorter history of Internet usage.

Concerns over the reliability of web sites were also expressed in (Khoo *et al.*'s 2008) interview survey of parents' search patterns for children's health information. Respondents were parents attending a tertiary paediatric emergency department in Melbourne, Australia. 55% of the 360 respondents expressed concern about health information on the Internet and 65% expressed concern about the reliability of sources.

(Dart, 2008) indicated that using the Internet at home was a factor in the frequency of access to the Internet in general and health information in particular. In contrast to(Helft *et al.*2005), (Andreessen *et al.*2007) noted in their telephone interview study of

citizens in 7 European countries that 71% of respondents were Internet users and had used the Internet for health purposes.

(Sim *et al.*2007) also found issues with content in their study of health information seeking via the Internet. 94% of respondents reported that they found the Internet useful. However of these, 18% found the information 'too technical', 18% reported that the information was 'too distressing' and while 15% felt there was too little information, 13% felt there was too much. 6% of respondents did not find the Internet useful.

A study in the USA by (Bernhardt and Felter, 2004) of 20 young mothers in 4 focus groups explored the use of the Internet for paediatric health information. Most participants had used the Internet to access health information both during pregnancy and after childbirth. The study reported that, although participants did use commercial websites, they expressed disdain for product websites. Organizational websites were seen as useful but sometimes 'too scientific'.

Clearly, content does not always act as a barrier to engagement with eHealth services. For example, (Khechine *et al.*2008), found that the most commonly-reported reason for seeking

Information was at the treatment identification phase of an illness (94.2%), closely followed by the treatment application or follow-up phase (86%).

In Dickerson's study of an online community (Dickerson, 2005), as with (Bruwer and Stein.2005) respondents Valued being part of a group of individuals who were in a similar position to themselves and Could comprehend and identify with their experience.

A literature review conducted by McMullan (McMullan, 2006) on the impact of Internet use on the patient-health professional relationship suggests three ways in which health professionals may respond to their patients as active consumers of health information: 1) re-assert their role as expert, 2) collaborate in obtaining and analyzing information, 3) guide patients to reliable resources. There appears to be a place still for direct face-to-face communication; (Botsis and Hartvigsen, 2008) found that 'patients and nurses foresee the need for real nurse home visit along with telemedicine ones'.

OBJECTIVE OF THE STUDY

- To analyze whether satisfaction with the healthcare system and GP is associated with the eHealth behavior.
- To compare eHealth behavior of E-Patient from Delhi and Kolkata.
- To find out the factors associated with the patient who is using digital door for health related information(EOWN) and who discuss online report with GP (EGP)
- Relationship between demographic parameter and factors associated with E-patient behavior.

RESEARCH METHODOLOGY

Research Design: The objective of this research was to find out the factors that affect usage and preferences of E-patient behaviour. The study explored and examined the predictors that affect the health service utilization by applying the Andersen model.

Therefore Descriptive research is being adopted to find out the association between factors and customer satisfaction.

Study Area: Area of study is limited to two metropolitan cities of India viz Kolkata and Delhi.

Target Population: Target population of this study is those who are regular user of Internet and eHealth and also those who at least searched for cure or symptoms of any disease on Internet.

Sample Size: Sample size of this study is 200 (One hundred each from both cities).

FINDINGS AND DATA ANALYSIS

Based on the SPSS result, findings can be drawn. From the factor analysis, The KMO measures the sampling adequacy (which determines if the responses given with the sample are adequate or not) which should be close than 0.5 for a satisfactory factor analysis to proceed. Kaiser (1974) recommend 0.5 (value for KMO) as minimum (barely accepted), values between 0.7-0.8 acceptable, and values above 0.9 are superb. Looking at the table above, the KMO measure is .802, which is acceptable.

Bartlett's test is another indication of the strength of the relationship among variables. From the same table, we can see that the Bartlett's Test of Sphericity is significant. That is, significance is less than 0.05. From the rotated component matrix, it can be analysed that the five factors have been extracted. First factor is labelled as: Usage, availability, frequency, accessibility and efficiency. Second factor is labelled as: validation. Third Factor is labelled as: Distance of nearest hospital. Fourth factor is labelled as: Education and fulfilment. Fifth factor is labelled as: Gender.

From multiple regression analysis, R value represents the simple correlation which is .838 which indicates high degree of correlation. R^2 gives information about goodness of fit of a model. R^2 of 1 indicates that the regression line perfectly fits the data. In this table R^2 value is .701 which is close to 1. In the coefficient table provides the necessary information about regression equation. Here all the variables are significant except Gender.

Comparison of the Regression Analysis result of Delhi and Kolkata

In Delhi the independent variable like usage, availability, accessibility, efficiency, knowledge, fulfilment, validation, type of facility, quality of care, and convenience have association with the satisfaction. Whereas in Kolkata age has association with the satisfaction but in Delhi there is no association between age and satisfaction. Likewise usage has no association with satisfaction in Kolkata but in Delhi there is relationship. Accessibility and convenience have no relation with satisfaction in Kolkata but the result is different in Delhi. In the end, in Kolkata people are aware about safety but in Delhi users are not aware.

CONCLUSION

The study focused on the factors that affect usage and preferences of e-patient behaviour and how do these factors affect health service utilization experience of E-health.

There is a dearth of research in behaviour of epatient for eHealth in the Indian context. The contribution of the study is that it develops an additional insight for the usage and preferences for eHealth care behaviour in the Indian context.

The research findings have important implications that (ensure usage, availability, Frequency, accessibility, efficiency, and validation, distance of nearest hospital, education, and fulfilment) factors related information provided by the eHealth care organization are important to retain patient.

The study also focused on the comparison of eHealthcare behaviour of Delhi and Kolkata in which there are nearly the same number of respondents who does not have any idea about fulfilment of eHealthcare in Delhi and Kolkata. There is no difference in satisfaction for the fulfilment in Delhi as well as in Kolkata as numbers of satisfied and extremely satisfied respondents are 53 and 12 respectively in Delhi and the numbers of satisfied and extremely satisfied respondents in Kolkata are 45 and 20 respectively. Standard Deviation of Delhi and Kolkata data are relatively close.

From the regression analysis it can be also observed that In Delhi the independent variable like usage ,availability, accessibility, efficiency, knowledge, fulfilment, validation, type of facility, quality of care, and convenience have association with the satisfaction. Whereas in Kolkata age has association with the satisfaction but in Delhi there is no association between age and satisfaction. Likewise usage has no association with satisfaction in Kolkata but in Delhi there is relationship. Accessibility and convenience have no relation with satisfaction in Kolkata but the result is different in Delhi. In the end, in Kolkata people are aware about safety but in Delhi users are not aware. The research would help eHealth care organization to have a comprehensive, holistic and clearer understanding of factors that influence the satisfaction level of Epatient.

RECOMMENDATION

During the course of the survey, most of the customers were found to be apprehensive about the safety dimensions, therefore the eHealth care companies not only need to be more stringent in protecting their customer database but also they need to communicate the same to their customer.

Four key themes around barriers and facilitators to public engagement emerged from the research: Education of users; Gender; Distance of nearest hospital and frequency of need of health services. Higher levels of educational attainment and literacy appear to be associated with increased awareness and use of eHealth services.

However, exposure to eHealth services appears to improve both the perceptions of non-users and frequency of use. Those with high age group are more likely to engage with eHealth services. eHealth service provider also need to focus on the target population.

LIMITATION AND FUTURE SCOPE OF THE STUDY

This study involved a number of limitation that need to be acknowledged. The primary limitation of the research related to the small sample size, as generalization is difficult to make with small sample sizes. The data collected for the study focused on the

behavioural model Therefore, result cannot be generalized for other service context..Another limitation in the study is that the survey was conducted only on two metropolitan cities..

Future research could proceed with the several extensions of the current study. To verify the factors observed in this study and also to enhance the generalizability of the research findings across eHealth arena, various other form of online behavioural factor can be assessed. Secondly, the measurement instrument constructed in this study can be used to further investigate the quality of information as well as customer loyalty.

Lastly, it is expected that as the use of eHealth care services become more popular, customer will have clearer expectation of eHealth care service. Thus, future studies will utilize the expectation disconfirmation paradigm to measure E-patients satisfaction.

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The Impacts of Word of Mouth Communication On Management Students' Attitudes toward the Welfare of Natural Environment : A CSR Perspective

Sohini Datta*

ABSTRACT

“Word of Mouth” (here after WOM) is one of the most earliest and effective device of communication in the history of human society, and it has been shown as a very cost-effective marketing tool (Godes & Mayzlin, 2004; Hogan, Lemon, & Libai, 2004; Godes et al., 2005).

WOM has presently increased its importance as a communication tool because of two simultaneous reasons. First, there is less interest among consumers in advertising and traditional media. Second, at the same time, WOM's influence has been enhanced by a revolution in information and telecommunication technologies that shortens spatial and temporal distance among individuals. WOM's influence has spread its wings towards preservation & maintenance of our Natural environment as well.

In this paper the author examine the extent to which, an educational environmental CSR program, through the medium of Word of Mouth (WOM) communication can create an impact on Young Students' Attitudes toward the Corporation and Natural Environment.

A self-administered questionnaire was distributed to all Management (MBA) students and 180 valid data sets were obtained after seven incomplete questionnaires were eliminated. The questionnaire consisted of three main sections covering issues related to experience of environmental CSR program, attitudes towards the corporation, and attitudes towards natural environment.

Keywords: *WOM, Attitudes, Environmental CSR, Experience, Natural Environment*

INTRODUCTION

“Word of Mouth” is one of the most earliest and effective device of communication in the history of human society. It is probably the most aged means of exchanging opinions on various goods and services offered by markets. At one time, Word-of-Mouth occurred mostly among neighbours exchanging news on what was being offered by neighbourhood stores (Whyte, 1954). As early as 1955, Katz and Lazarsfeld believed that Word-of-

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Mouth was seven times more effective than newspaper advertisements, four times more effective than direct sales, and twice as effective as radio advertising. Later, Day (1971) estimated that Word-of-Mouth was nine times more effective than advertising in changing consumer attitudes, whereas Morin (1983) showed that “other people’s recommendations” were three times more effective in terms of stimulating purchases of over 60 different products than was advertising. According to Reicheld (1996), these effects are amplified by a higher degree of customer loyalty and profitability.

Today, many researchers continue to maintain that word-of mouth constitutes one of the most effective ways of attracting and keeping customers (Duhan, Johnson, Wilcox, & Harrell, 1997).

Studies on Word-of-Mouth have demonstrated that its effectiveness is based on the overwhelming influence it has on ‘consumer behaviour and attitude’. Researchers have shown that Word-of-Mouth was strongly and positively associated with peoples’ attitude to purchase (Crocker, 1986), service quality (Parasuraman, Zeithaml, & Berry, 1988), perceived value (Hartline & Jones, 1996), relationship quality (Boles, Barksdale, & Johnson, 1997), satisfaction (Anderson, 1998), clients’ levels of trust (Bergeron, Ricard, & Perrien, 2003), a very cost-effective marketing tool (Godes & Mayzlin, 2004; Hogan, Lemon, & Libai, 2004; Godes et al., 2005).

Communication by Word of Mouth is one of the channels of communication that is often used by companies and environmental camps & NGOs that produce both care and services for communications and Word of Mouth is considered very effective in expediting the process of campaigning and marketing and be able to provide benefits to the organization.

Involving Corporate Social Responsibility (CSR) activities has been widespread across diverse types of businesses in various industries and countries. As a result, it has attracted considerable amounts of interests from academia for decades and the concept has evolved from social obligation to stakeholder obligation. In particular, most studies have approached CSR from business, management and marketing paradigms which focus mainly on consumers’ responses toward corporate CSR initiatives, the perceived importance of ethics and social responsibility among managers, and the marketing or business benefits of CSR. In addition, a number of studies examine four traditional principal CSR categories-economic, legal, ethical and philanthropic. Among these four CSR categories, environmental CSR has risen as a significant CSR research topic in the recent decade owing to its high visibility and feasibility in business activities. The environmental CSR studies primarily examine the impacts of the environmental CSR on consumers’ purchase behavior and the relationship between environmental CSR and corporate or brand performance. In other words, the core of the studies is on what corporate can gain from environmental CSR practices. Despite the prominence of recent study that has illuminated the questions of the role of the environmental CSR, whether environmental CSR activities can have an effect on consumers’ attitudes towards environment in reality are still underexplored.

Based on the above opinions it can be interpreted that communication of Word of Mouth

(WOM) is an interpersonal communication between or among individuals about a product or service, with status as a party that has no ties with the companies that produce goods or services. In other words, WOM act as consumers or customers of a particular company or product.

Despite its prominence, there is little study on the examination of the role of WOM on environmental CSR. Moreover, from the perspectives of NGO or societal bodies, there are few studies focusing on whether, through WOM communication, they can achieve the objective of environmental CSR practices as business, management and marketing studies do.

OBJECTIVE

The objective of the paper here is to

- Predict young students' attitudes toward the Corporation and Natural Environment and their inclination to speak well about the organization or brand.
- Examine the extent to which Word of Mouth (WOM) impact on the environmental CSR studies primarily on consumers' attitude and behavior and the relationship between environmental CSR and corporate or brand performance.

The first section reviews prior research of the concept of WOM. Subsequent sections are dedicated to the methodology, presentation of our WOM model, and an analysis of results, respectively. The paper closes with a discussion of the intended contribution and the implications for theory and management.

DISCUSSION

Attitude is viewed as a fundamental principle determining behavior. It is vital to examine the attitude toward corporation and environment separately as the behavior would be exhibited in totally different way depending on the object of attitude. Generally researches on the attitude to CSR corporations have been conducted in business and marketing areas. According to He Y, Lai KK (2014: 249–63) CSR is likely to produce positive effects on consumers' attitude and behavior toward the brand. The effects could vary but the most common effects found in previous researches would be brand identification, brand loyalty, brand preference, customer satisfaction, and purchase intent. These effects of CSR on consumers would be either direct or indirect. Regarding environmental attitude, there are two approaches to measure environmental attitudes although various scales have been designed and tested. One is Dunlap and Van Liere's New Environmental Paradigm (NEP) developed in 1978 or the revised NEP scale in 2000 which is possibly the most widely adopted measure of environment. The scale was originally derived from environmental sociology but it has been used in various studies including tourism as it addresses general environmental issues. The other is the multidimensional scales of environmental attitude. In this case, there are many attitude measures identified by researchers. These multidimensional scales were developed for nature-based destination so they deal with more site-specific environmental concerns. This study was conducted in association with Humane Society International, Kolkata Chapter, so it would be more suitable to use rather specific multidimensional scales than NEP. As

Figure 1 shown, attitudes are regarded as precedence to intention to act or behavior. However some empirical research discovered that there was a close relationship between knowledge, attitudes, intention and behavior but others failed to find.

- Action skills—————Attitudes
- Knowledge of Action Strategies—————Intention to act
- Knowledge of Issues—————Responsible Environment behaviour

Fig 1: The framework for understanding environmental attitudes and behavior

LITERATURE REVIEW

Relevant research on the subject, and especially studies that have developed a measure of WOM, are reviewed. WOM, over the past five years, has been the object of several studies in the field of Marketing. Authors have sometime associated this concept with personal recommendations (Arndt, 1967a), interpersonal communication (Godes & Mayzlin, 2004), interpersonal relationships (Arndt, 1967a), informal communication (Silverman, 2001), personal and interpersonal influence (Arndt, 1967a, Brown & Reingen, 1987), and with informal advertising (Arndt, 1967a). WOM definitions by Westbrook (1987), Bone (1992, 1995), Silverman (2001), and Anderson (1998) have all been inspired by that of Arndt (1967a), which focused on the informal aspect of WOM communication, the communicator's independence from a commercial source, and on the phenomenon of information diffusion. There is but a single author (Haywood, 1989) who considered word-of-mouth as formal conversation. Other authors agree that word-of-mouth is an informal and noncommercial conversation. The term "informal" makes reference to something that is not organized in an official manner (Rey-Debove & Rey, 2007). In addition, WOM communications are occasionally defined as post purchase behaviours. In addition, according to previous work, for a consumer to be considered involved in a WOM-type conversation, the message being transmitted and the medium used for the transmission must be perceived as independent from influence by the company (Silverman, 2001).

In addition, there are personal and impersonal sources of recommendations that have to be considered. Friends, family, and acquaintances are personal sources of recommendations (Brown & Reingen, 1987, Duhan, et al., 1997) recognized as WOM vehicles. Columns, articles, and commentary by journalists, columnists, consumers, and experts to be found in newspapers, magazines, specialized publications, online discussion forums, and expert systems are regarded as impersonal sources of WOM recommendations. Expert systems and discussion forums are included as impersonal recommendation sources (Sénécal, Kalczynski & Nantel, 2005) because consumers are influenced in their choice of products online by recommendations posted online (Sénécal & Nantel, 2004). Consumers should not perceive any commercial or marketing intent behind the statements in these sources of recommendations. If that is not the case, these communications cannot be considered WOM. WOM is therefore communication based both on personal and impersonal sources.

Some scientists have researched the usefulness of word of mouth communication (Ennew, Banerjee, & Li, 2000; Smith, Bickart, & Schindler, 2002; Menon & Sivakumar, 2005; Mazzarol, Soutar, & Sweeney, 2007; Trusov, Bucklin, & Pauwels, 2009), others have been investigating the communication word of mouth channels (Keller, 2003), and the other scientists have been analyzing communication word of mouth factors (Anderson, 1998; Walker, 2001; Maxhmar & Netemeyer, 2002; Mazzarol, Soutar, & Sweeney, 2008; Rezvani, Hoseini, & Samadzadeh, 2012).

During the last decade the scientists have been carrying out more and more-related researches. Brown, Barry, Dacin, and Gunst (2005) have analyzed collective brands, while Veloutsou, Gioulistanis, and Moutinho (2004) have analyzed the factors, which determine the brand's usefulness. Wigley, Moore, and Birtwistle (2005) have researched the brands of luxury goods and the factors, which make the brand more attractive. The analysis of the theoretical and empirical researches revealed the difference in the importance of brand equity dimensions. Tong and Hawley (2009) determined that brand equity is the most affected by the perceived quality and brand awareness, Buil, Chernatony, and Martínez (2013) determined that brand equity is the most affected by 3 dimensions: perceived quality, brand association and brand loyalty. Chieng and Goi (2011) noticed the major link between brand loyalty and brand association.

Numerous scientists have carried out the researches related to word of mouth communication; however the unanimous attitude towards the message characteristics of word of mouth communication is still absent.

Understanding corporate social responsibility and product perceptions in consumer market was researched upon by Singh J, Sanchez M, Bosque DI (2009) & the impact of Corporate Social Responsibility (CSR) performance and perceived brand quality on customer-based brand preference was worked upon by Liu TM, Wong AI, Shi G, Chu R, Brock LJ (2014) followed by many others who have researched on the impacts of WOM on CSR activities.

METHODOLOGY

“Humane: An Outcry” is an environmental education and CSR campaign for Management/MBA students conducted by Humane Society International/India that works to help animals on farms through campaign against factory farming and street animals through innovative Street Dog Welfare Initiative, and responds to animals and environment in need in the aftermath of disasters.

The primary features of “Humane: An Outcry” are to take care of Street dogs in & around College campuses and to provide food & water to birds & other street animals. The participants are Management/MBA students, the program was held during summer recess & Fest, and total it was a 7-day outdoor camp. The eco-learning program is designed to educate youngsters the importance and the need of conserving ecosystem through the 7-day outdoor camp pursuing alternative, experiential, and emotional education. Total 180 students participated in the camp co-hosted by ‘Humane Society International’- one of the largest animal protection organizations in the world and ‘Institute of Engineering & Management’, Saltlake, Kolkata from June 17 to June 19, 2017 &

February 21 & 22, 2018. The program consisted of lectures, meditation, games and CSR activities along with street animals and environment welfare.

RESEARCH DESIGN

A self-administered questionnaire was conducted on the last day of the camp program in 2017 & 2018 at the camp site. Questionnaires were distributed by a camp program manager to all teenager participants and 180 valid data sets were obtained after seven incomplete questionnaires were eliminated. The questionnaire consisted of three main sections covering issues related to experience of environmental CSR program, attitudes towards the corporation, and attitudes towards natural environment. The questions in the questionnaire were measured using 6-point Likert scales ranging from strongly disagree (1) to strongly agree (6).

The model consists of two different dimensions – customer participation and the environmental relationship - crossing each other and made four experience categories including entertainment, educational, aesthetic and escapist. The experience addresses that experience is formed in a unique combination of participants' and environmental characteristics. In WOM module an experience model was developed consisting of six domains including hedonic, interactive, novelty, comfort, safety, and stimulation. The measurement scale used in this study consisted of a set of 20 items measuring degrees of knowledge, education, pride, stimulation, distinctiveness, novelty, uniqueness, interests, entertainment, excitement, pleasure, relaxation, escapist, refresh, immersion, absorption, concentration, unitedness, cooperation, and sharing.

The set of questions measured interests in the corporation, good image toward the corporation, a sense of familiarity, favorable impression, a sense of faith, preference, and recommendation to others.

A set of questions examining attitudes toward natural environment were designed on attitude measurement scales. The measurement scale consisted of eight items: Prohibiting environmental destructive behavior, keeping environmental friendly behavior, learning and understanding natural environment, spending money for natural environment, following regulation, concerning about environmentally vulnerable areas, participating environmental education, and willingness to endure inconvenience.

DATA ANALYSIS

The Statistical Package for the Social Science (SPSS 20.0) was employed to analyze the data. In terms of reliability of measurements, the measurement scales for 'experience of environmental CSR program', 'attitudes toward the corporation', 'attitudes toward environment' all had high reliabilities, a standardized Cronbach's alpha = 0.958, 0.940, and 0.856 respectively. A principal component analysis was conducted on the 20 camp experience items with orthogonal rotation (Varimax) to demonstrate the number of underlying factors in the data. In order to identify camp participants segments depending on their camp experience, Cluster analysis, a K-means clustering was adopted. Finally, the clusters were further analyzed using t-Test for determine differences between the groups.

FINDINGS

Sections of Camp Participants

The “Humane: An Outcry” participants clusters were formed on the basis of the three factor scores (Table 1). The value of KMO was 0.925, which fell into the range of being superb. Three factors were extracted which were named ‘interactive’, ‘escapist’ and ‘hedonic’ experience. The eigenvalues and the % of variance of the factors were 6.212 (31.062%), 6.074 (30.372%), and 2.319 (11.594%) respectively. Cluster analysis revealed that the camp participants could be segmented into two groups. The two clusters were characterized by t-Test (Table 2). The result shows that there is a noticeable difference between two groups in relation to the camp experience: One group is more likely to have higher degrees of interactive experience meanwhile the other group is more likely to have higher degrees of escapist experience. Drawing this result, these groups were named as an interactive group and an escapist group respectively. The mean score of ‘Felt all participants were united by WOM’, ‘Felt the spirit of the team work with the participants’ and ‘Was pleased as other participants were pleased’ at the interactive group was 5.54, 5.70, and 5.78 respectively. The mean scores at the escapist group were 4.40, 4.53, and 4.72. On the other hand, the escapist group gave ‘Felt getting away from routine during the activities for experience’ their highest score 5.0 and ‘Forgot time passing during the ‘Humane: An Outcry Camp’ relatively higher score 4.67. However, both groups also displayed significant levels of educational experience. Overall, all mean scores at the interactive group were much higher.

Table 1. Factor analysis of “Humane: An Outcry” experience		% Var.	Eigen value
Factor 1: Interactive		31.062	6.212
	Factor 1	Factor 2	Factor 3
Felt all participants were united by WOM	.836	.200	.319
Thought only about the activities for experience	.791	.076	.181
Felt the spirit of the team work with the participants through WOM	.768	.205	.448
Was pleased as other participants were pleased	.743	.294	.355
“Humane: An Outcry” was entertaining	.721	.382	.208
I forgot time passing during the Camp	.708	.280	-.141
Felt pleasure during the activities for experience	.660	.483	.250
Released stress during the activities, while speaking Word of Mouth, for experience	.657	.462	.223

Factor 2: Escapist		30.372	6.074
Felt originality during the CSR activities	.129	.831	.324
Felt getting away from routine during the activities for experience	.349	.788	-.081
The “Humane: An Outcry” was distinctive experience	.143	.783	.361
Felt uniqueness during the Camp because of WOM Communication only	.031	.749	.362
Got immersed in the activities for experience	.443	.719	.097
The activities for experience were interesting	.542	.682	.084
Felt refreshed during the activities for experience	.572	.657	.093
Learnt ecology and environment during the Welfare Camp through the medium of WOM	.447	.623	.204
Was excited during the Camp	.588	.616	.169
Gained knowledge during the Camp	.383	.601	.231

Factor 3: Hedonics		11.594	2.319
Felt a pride during the activities for experience	.380	.173	.762
The “Humane: An Outcry” campaign stimulated creativity	.207	.414	.761

As Table 3 displays, the interactive and escapist groups showed highly positive attitudes toward the corporation operating environmental CSR programs as both gave their highest score, but overall the interactive group was more likely to have positive attitudes toward the corporation than the escapist group was. Yet the two groups showed a few differences. First, the mean score of ‘The Camp stimulated interests in “Humane: An Outcry” at the interactive group was 5.72, much higher than the mean score at the escapist group (mean score = 4.81). On the other hand, the mean scores of ‘Received favorable impression from “Humane: An Outcry” and ‘doing CSR activities through WOM is a right choice’ were 4.96 and 4.86 relatively, higher in the escapist group.

As Table 4 shown, two groups displayed remarkably similar attitudes toward natural environment. Both groups considered the importance of following laws which protect the natural environment and ecosystem to be a priority meanwhile enduring inconvenience from environmentally friendly products and facilities was regarded as relatively an unimportant issue. The groups also agreed on the statement that they will participate in environmental education and interpretation program. However they showed

the most different point of view on the statement that they agree on spending conveyance charge on protecting environment; the interactive group (mean score = 5.53) were more willing to spend a portion of cost on protecting environment than the escapist (mean score = 4.93) were.

Table 3. Attitude towards the corporation	Cluster 1. Inter-active (n=76)	Cluster 2. Es-capist (n=57)	t-value	Sig.
The CSR Camp stimulated my interests in "Humane: An Outcry	5.72	4.81	7.575	0.000
"Humane: An Outcry is a good brand	5.75	5.04	6.157	0.000
Familiar with "Humane: An Outcry	5.47	4.77	5.094	0.000
Received favorable impression from "Humane: An Outcry	5.71	4.96	6.311	0.000
Doing CSR activities through WOM is a right choice'	5.53	4.86	5.068	0.000
Will choose "Humane Society International" when given opportunity to work with similar NGOs	5.49	4.74	4.948	0.000
Will recommend other people through WOM to work with "Humane: An Outcry	5.43	4.70	4.770	0.000

Table 3: Experience of two clusters

Table 4. Attitude towards natural environment	Cluster 1. Inter-active (n=76)	Cluster 2. Es-capist (n=57)	t-value	Sig.
Should not do any environmentally destructive behavior	5.34	4.77	3.384	0.000
Will keep environmentally friendly behavior.	5.61	5.07	4.853	0.000
Will try to learn and understand the destination environment	5.63	5.05	5.667	0.000
Agree on spending a conveyance charge on protecting environment	5.53	4.93	4.450	0.000
Will follow laws which protect the natural environment and ecosystem	5.78	5.21	5.950	0.000
Concerned about crowding into environmentally vulnerable areas	5.49	4.96	3.700	0.000
Will participate in environmental education and interpretation program	5.33	4.84	3.593	0.000
Willing to endure inconvenience from environmentally friendly products and facilities	5.28			

CONCLUSIONS

This research was to investigate environmental CSR from the meeting perspective of WOM perspective in order to identify the impact of environmental CSR program on young participants' attitudes toward the corporation and natural environment. The results of this study demonstrated that the participants of the "Humane: An Outcry" Camp could be divided into two different groups based on their experiences; those are interactive and escapist groups. Accordingly, their attitudes toward the corporation and national environment showed in different ways. The interactive group was more likely to have positive attitudes toward the corporation than escapist group was. However both groups gave relatively lower scores to the intention of purchase and recommendation to others. Moreover, the interactive group was more willing to spend a portion of travel cost on protecting environment than the escapist cluster was.

These findings indicate three key points. First, the participants through Word-of-Mouth Communication can be characterized as interactive and escapist groups.

Second, the environmental CSR program can contribute to enhance the corporate brand image, but it cannot always lead to immediate sales or promotion improvement. The more the consumers consider CSR as a factor of a purchase decision, the more significantly CSR influences business performance. It could result from that the participants are Management/MBA students who are not great consumers and that Indian consumers have different awareness and behavior in relation to environment. However, it would be necessary that future research identifies the reason environmental camp participants take different attitudes toward brand and purchase intent.

Lastly, environmental CSR could give knowledge of natural environment and improve environmental awareness. Consequently it could modify participants' attitudes but not their behavior. Therefore, it is important to explore how we change both participants' attitudes and behavior toward natural environment in the future through the medium of Word of Mouth communication.

Since data in this study was collected on spot, the degree of attitude change compared to before or after the Humane: An Outcry Camp remains unanswered. To reach a fuller understanding of the impact of the environmental CSR program, a further extensive study is required to be done through a follow-up survey.

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Discussion Paper on rising NPAs in Indian Scheduled Commercial Banks: Causes & Consequences

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ABSTRACT

The issue of non-performing assets (NPAs) in Indian banking sector, the root cause of which is 2008 global financial crisis, has-been drawing the attention of academicians and the policymakers alike. NPAs have shaken the entire Indian banking sector and thus have grabbed attention post- liberalization of the financial sector.

NPAs reflect the performances of banks and are the primary indicators of credit risk. Over the years increased in NPAs shows the necessity of provisions, which bring down the overall profitability of banks. Furthermore, the rise of NPAs in banks is influenced by many reasons that depend upon the quality of the bank's assets in both priority and non-priority sectors. Some studies have suggested that the lending to Priority sector is one of the causes for the rise in such NPAs.

On the one side the bank cannot recognize interest on NPAs accounts and on the other, it is a curse and depriving the banks' profitability due to high funding cost. It will have a deleterious effect on the deployment of credit due to poor recycling of funds. The non-recovery of loans affects not only the further availability of credit but also financial soundness of the entire credit system.

The approach of target orientation deteriorates the qualitative aspect of lending. NPA has a direct impact on the profitability, liquidity, capital adequacy ratio, solvency position, and credibility of banks. Higher NPA also shakes the confidence of lenders, investors, and depositors alike.

The paper highlights some measures that are required for management of NPAs like reformulation of banks' credit appraisal techniques, the establishment of monitoring department, and so on. This exploratory paper examines the trends of NPAs and the factors that contribute to rising NPAs in the banking sector from various dimensions. The author has made use of secondary sources of data from authentic websites of RBI and Banks.

Keywords: *Non-performing assets, Credit appraisal, Priority and Non-priority sectors*

INTRODUCTION

Banking system plays a very significant role in the financial existence of the nation; hence the strength of the economy is closely related to the reliability of its banking system. For any business enterprise especially banking industry the financial performance in terms of profitability and in prudent manner is a benchmark. However,

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increasing NPAs have a direct impact on profitability of banks as legally banks are not allowed to book income on such accounts and at the same time banks are required to make provision on such assets as per RBI guidelines.

Let's understand some terminology about NPAs in Indian banking sector.

Gross NPA

Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date. Gross NPA reflects the quality of the loans made by banks. It consists of all the non-standard assets which include sub-standard, doubtful, and loss assets. It can be calculated with the help of following ratio:

$$\text{Gross NPAs Ratio} = \text{Gross NPAs} / \text{Gross Advances}$$

Net NPA

Net NPAs are those type of NPAs in which the bank has deducted the provision regarding NPAs. Net NPA shows the actual burden of banks. Since in India, bank balance sheets contain a huge amount of NPAs and the process of recovery and write off of loans is very time consuming, thus banks have to make provisions against the NPAs according to the central bank guidelines, which are quite significant. That is why the difference between gross and net NPA is quite high. It can be calculated by following:

$$\text{Net NPAs} = \text{Gross NPAs} - \text{Provisions} / \text{Gross Advances} - \text{Provisions}$$

Asset Classification

Assets are classified into following four categories:

- **Standard Assets**

Provisioning Norms:

A general provision of 10 per cent on total outstanding should be made without making any allowance for DICGC/ECGC guarantee cover and securities available.

- **Sub-standard Assets**

With effect from 31 March 2005, a substandard asset would be one, which has remained NPA for a period less than or equal to 12 month.

- **Doubtful Assets**

With effect from March 31, 2005, an asset would be classified as doubtful if it remained in the sub-standard category for 12 months.

- **Loss Assets**

Provisioning Norms:

The entire asset should be written off. If the assets are permitted to remain in the books for any reason, 100 per cent of the outstanding should be provided for.

As per the guidelines issued by RBI in line with international best practices and in accordance with Basel standards, lay emphasis on regulatory and supervisory control of banks. RBI also expects the banks and financial institutions to follow capital adequacy

norms, maintain capital provisioning on a risk-weighted assets basis along with operating on income recognition, asset classification and liquidity management. Moreover, RBI in accordance with switch over to Risk Based Supervision (RBS) in 2003-04 which has concurrently ushered in CAMELS(Capital adequacy, Asset quality, Management, Earnings, Liquidity, Systems and Controls) approach and Basel II norms.

Also, with increasing deposits made by the public in the banking system, the banking industry cannot afford defaults by borrowers since NPAs affects the repayment capacity of banks. Further, RBI successfully creates excess liquidity in the system through various rate cuts and banks fail to utilize this benefit to its advantage due to the fear of burgeoning non-performing assets.

This study makes a reference of Indian corporate vulnerabilities to the increasing levels of non-performing and restructured loans in the banking system. A few studies reveal that corporate vulnerabilities can explain a large part of bank non-performing advances. Growing weakness in the corporate sector, which would likely exacerbate NPAs, could thereby weaken India's banks, most notably at about the same time as they have to increase capital levels under Basel III, potentially reducing their ability to provide bank credit.

Maintaining profitability is a challenge to commercial banks in a competitive era and opening of banking business to NBFC and foreign banks in general. This attempt of study covers the fundamental research work and discusses NPA structure of the Indian banking sector on select variables post-2008 global financial crisis.

OBJECTIVES OF THE STUDY

- To know and learn about factors that contributes to NPA in banking sector
- To understand and analyse the rising trend in NPA level in SCBs and its consequent effect in overall credit market
- To suggest measures in tackling NPA in banks

LITERATURE REVIEW

The paper by Chaudhry and Singh analyses the impact of the financial reforms of 1991 on the increase in soundness of Indian Banking through its impact on the asset quality. The key variables to ensure this soundness are risk management, NPA levels, effective cost management and financial inclusion. Though accounting norms have been modified substantially and mechanisms are in place for reduction of bad loans. However, RBI discussion papers reveal that such decline is mainly due to the awareness of the problem of bad loans at the bank level (see Rajeev and Mahesh, 2007).

NPA usually refers to non-performing assets and the lenders consider it as those assets that are not fetching benefits to them. It is regular but disguised loan asset (Tiwari and Sontakke, 2013).A high level of persistent NPAs suggests high probability of a large number of credit defaults that affect the profitability and involves the necessity of provisions, which reduces the overall profits and shareholder's value (Parul Khanna, 2012).

NPAs beyond a certain level are indeed cause for concern for all stakeholders involved because credit is essential for economic growth and NPAs affect the smooth flow of credit (Rajeev and Mahesh, 2010). The Reserve Bank of India states that compared to other Asian countries and the US, the gross NPAs figures in India seem more alarming than the net NPA figure (Prasad and Veena, 2011). The depth of the problem of bad debts however, was first realized only in early 1990s.

The paper by Gupta et.al and another by Das et.al examines the performance of the Indian banking sector using the nonparametric frontier: DEA – Data Envelopment Analysis and further finding the productive efficiency using the TOBIT model. Through these, it was found that the efficiency increase in the private bank sector has come from the small banks.

The paper by Ghosh analyses the performance of the previously owned state-owned banks after the partial privatization. Privatization improves bank soundness, enhances profitability and efficiency. Government ownership has been empirically proven to be detrimental to growth. It was synonymous to higher spread, and lower resources to lend.

The NPAs in public sector banks are growing due to external as well as internal factors (Kaur and Singh, 2011). High non-performing assets is one of the many problem created by lending to priority sectors along with the problems like low profitability, high transaction cost etc., Uppal (2009). Goyal, Agrawal and Aggarwal (2015) concluded that priority sector lending is a major contributor to NPAs in public and private sector banks. These studies indicate that there is a significant contribution of priority sector lending towards the NPAs in public sectors banks and is still higher than that of the non-priority sector.

RESEARCH METHODOLOGY

This study is descriptive in nature. The secondary data sourced are from authentic registered websites of RBI, SCBs, CRISIL, CSO-MoSPI, MoF, the published reports, articles, journals, documents, printed literatures, and other online data bases.

Scope of Paper

The discussion covers scheduled commercial banks (SCBs) in India. Period: post-2008 global financial crisis.

Analysis

Erosion of profits, provisioning and write-off, requirement of additional capital are some major problems created by rising non-performing assets (NPAs) in banks. A huge amount of bank's resources are blocked due to rising of such bad loans and thus it becomes unavailable for further lending. The following table(s) point out how NPA level have risen in SCBs (both in PSBs and in private sector banks) in Indian banking, particularly post-2008 global financial crisis.

Banks	FY: 2016-17	FY: 2015-16
PSBs		
State Bank of India	32246.69	26984.14
Punjab National Bank	13240.35	15313.77
Bank of India	11290.96	12124.83
Bank of Baroda	9591.93	14211.11
Canara Bank	7791.97	9959.47
Union Bank of India	6874.87	4291.01
Private Sector Banks		
ICICI Bank	16685.65	14137.72
HDFC Bank	11182.73	9067.32
Axis Bank	12116.96	3709.86
Kotak Bank	2573.31	1951.30
TOTAL	123595.42	111750.53

Table: 1.1 Select top ten SCB's Provisions and Write-offs (Rs. In Crore)

Source: Published Annual reports of respective bank(s)

The table reveals that major banks – be it PSBs or Private Sector banks have reported higher level of provisioning in the financial year ending on March-2016 and March-2017. And the overall provisioning has increased by 10.6% (apex.) in Mar-2017 compared to March-2016 for all above select 10 SCBs. Country's banking sector which is under stress with non-performing assets (NPAs) rising to Rs.8 lakh crore as on March 31, 2017, or 9.4% of total outstanding loans, from Rs.6.1 lakh crore as of March 31, 2016.

The country's largest lender SBI wrote off bad loans worth Rs.20,339 crore in 2016-17, the highest among all the public sector banks, which had a collective write off of Rs.81,683 crore for the fiscal. The data pertains to the period when the associate banks of State Bank of India were not merged with it. Public sector banks' (PSBs) write-off stood at Rs.27,231 crore in 2012-13, government data showed. The figure has jumped nearly three-fold in five years.

In 2013-14, the state-owned banks wrote off bad loans worth Rs.34, 409 crore; Rs.49, 018 crore in 2014-15; Rs.57, 585 crore in 2015-16 and hitting Rs.81, 683 in the fiscal ended March 2017. And this rising trend is quite alarming for both RBI being supervisory regulator for banking sector and government as its capital holding in all PSBs are more than 51%.

Besides SBI, Punjab National Bank had a write-off of Rs.9,205 crore in 2016-17, followed by Bank of India (Rs.7,346 crore), Canara Bank (Rs.5,545 crore) and Bank of Baroda (Rs.4,348 crore). In the current financial year (FY: 2017-18), PSBs have written off loans worth Rs.53, 625crores in the six months ended on September-2017; and their Gross NPAs stood at Rs.7.33 lakh crore.

As per the data from the RBI, nine public sector banks, out of the total 21, had gross non-performing asset ratio of above 15 per cent (the percentage of bad loans in terms of total loans outstanding) as of September 30, 2017. Fourteen PSBs have gross non-performing asset ratio of over 12 per cent. PSBs are faced with mounting non-performing assets (NPAs) or bad loans, putting the financial sector under stress.

State Bank of India in its annual report for FY: 2016-17 has discussed and analysed that during the last few years, the entire banking sector has been under stress due to a spurt in the growth of non-performing assets. Rising NPA levels and fresh slippages across sectors can be attributed to the following factors:

- Less than adequate pick up in domestic growth and declining exports.
- Cancellation of coal blocks.
- Delay in realisation of receivables due to subdued demand, reduced market confidence, etc.
- Stress in steel sector due to volatility in prices of steel, low capacity utilisation and cheap imports from other countries.
- Inadequate pickup in the global economy and negative spill overs from global financial markets.

The SBI report further stated that in these testing times, when the NPA levels in Banks have risen to unprecedented levels, their management and expeditious resolution has attained significant importance. The banking sector needs to reorient towards evolving innovative and far reaching solutions to recover NPAs.

ICICI Bank in its annual report for FY: 2016-17 has discussed that the increase in NPA was primarily due to an increase in provisions on non-performing assets. The Indian corporate sector has experienced several challenges following a phase of significant expansion in investment in the infrastructure and industrial during fiscal 2010 and 2011. These challenges included delays in

- project implementation,
- issues in access to raw materials,
- low demand and global commodity price cycles.

As a result, there has been a substantial increase in the level of additions to non-performing loans, including slippages from restructured loans, into non-performing status during fiscal 2016 and fiscal 2017 for the banking sector and the bank.

Year ending	ROA	ROE	PAT Growth	Net Interest Income Growth	Risk Provision Growth	Write – off Growth
Mar-2011	1.1	13.6	23.6	34.6	38.6	-50.6
Mar-2012	1.1	13.4	24.6	15.8	35.6	-13.1
Mar-2013	1.0	12.9	12.9	10.8	10.2	-8.5
Mar-2014	0.8	9.5	-14.1	11.7	41.9	80.3
Mar-2015	0.8	9.3	10.1	8.5	7.0	23.4
Sep-2015	0.7	8.5	-4.4	8.6	22.2	29.2

Table: 1.2 Profitability of SCBs (%)

Note: RoA and RoE are annual figures, whereas the growth is calculated on a y-o-y basis.

Source: RBI supervisory returns. (Financial Stability Report, Dec-2015)

RBI in its Financial Stability Report (Dec-2015) has stated that both return on assets (RoA) and return onequity (RoE) declined further to 0.7 per cent and 8.5per cent respectively as of September 2015 from 0.8per cent and 9.3 per cent as of March 2015. Profit after-tax (PAT) of SCBs declined by 4.4 per cent during the first half of the financial year 2015-16, due to lower growth in earnings before provisions and taxes (EBPT)and higher provisions and write-offs (Table 1.2).Among the bank groups, PAT declined by 22.7 per cent for PSBs, whereas, it increased by 11.5 per cent for private sector banks and 4.6 per cent for foreign banks during the same period.

	Gross NPAs (Rs. Billion)	As a % of Advances	Net NPAs (Rs. Billion)	As a % of Advances
All SCBs	6119.47	7.5	3498.20	4.4
All PSBs	5399.56	9.3	3203.76	5.7
New Private Sector Banks	561.86	2.8	266.77	1.4
Foreign Banks in India	158.05	4.2	27.67	0.8

Table: 1.3 Gross NPAs of all SCBs for FY: 2015-16 (Rs.6119.47 Billion)

Source:RBI (data for FY: 2015-16 are provisional)

The above table is self-explanatory and reveal that both Gross NPAs and Net NPAs in both rupees terms and as a percentage of advances are at higher level for all SCBs. However, the table clearly points out that all PSB's Gross and Net NPAs are much higher in terms of percentage than other banks for the stated period.

	Stressed Assets	GNPA	NNPA	Restructured Stressed Assets
Sep-2017	12.2	10.2	5.7	2.0
Mar-2017	12.1	9.6	5.5	2.5

Table: 1.4 Current position of SA, GNPA, NNPA and RSA (in %) – for all SCBs

	Stressed Assets	GNPA	NNPA	Restructured Stressed Assets
Sep-2017	16.2	13.5	7.9	
Mar-2017	15.6	7.3		

Table: 1.5 Current position of SA, GNPA, NNPA and RSA (in %) – for all PSBs

Source:RBI Financial Stability Report (Dec-2017)

RBI in its financial stability report (Dec-2017) said that the asset quality of SCBs deteriorated across broad sectors between March and September, 2017 with the industrial sector leading the cohort. Among the major industry sub-sectors which include: mining and quarrying, food processing, engineering, construction and infrastructure registered increase in their *Stressed Assets* ratio between the said periods.

FINDINGS

One of the reasons for the accumulation of large portfolio of NPAs with banks is that the lending is not linked to productive investment and the recovery of credit is not linked to business and economy cycle. There are a number of factors responsible for weak performance in respect of debt recovery and consequently banks' accounts turning into NPAs. The following are few reasons:

- NPAs occur due to the factors attributed to the 'borrowers'.
- Borrowers may divert their funds for expansion, modernization, diversification etc. (RBI, 1999).
- The borrower's low priority to technology up gradation, inadequate attention to research and development, inefficient management etc. also lead to accounts in becoming non-performing.
- NPA occur due to the external environment.
- Loans may turn bad due to faulty policies of 'lenders' also.
- Credit appraisal policies followed by the banks are – 'old and ineffective'.
- Sometimes delays in sanction/ disbursement also impact and make the project unviable.

Although it is expected that banks need to have effective credit monitoring policy, but unfortunately banks are not able to make follow up with the loan accounts efficiently

and effectively which leads to loans being difficult to recover.

CONCLUSIONS

One of the main causes of NPAs in the banking sector is the directed loans system under which commercial banks are required to supply 40% of their credit to priority sectors. Operational restructuring of banks should ensure that NPAs in the priority sectors are reduced, but not priority sector lending. Since this will remain a priority for the survival of banks.

The problem of NPAs can be achieved with appropriate credit appraisal and risk management mechanism for its effective implementation in banking sector. It is required that the banking system is to be equipped with prudential norms to reduce if not completely to keep away from the problem of NPAs. It is better to avoid NPAs at the budding stage of credit consideration by putting in place of precise and proper credit appraisal mechanisms.

The foregoing discussion has apt highlighted the issues and perspectives on the performance of banking sector which are essential for financial stability of the economy. This is particularly important on the eve of the introduction of Basel III norms by RBI to the banks in 2019, and hence, NPA level of this magnitude need to be brought under control and thus there is an urgency to recapitalize select PSBs in a time bound programme.

CRISIL in its Aug-2017 report believes that it would be in the larger interest of the economy to pop the bitter pill of haircut than kick the can down the road. It has suggested for adequacy in recapitalization of banks must be ensured. Quick resolution of the NPA stress could aid in the kick start of the next investment cycle.

Recently the government has unveiled an Rs.2.11 lakh crore capital infusion plan for the PSBs, including via bonds, in the next two years tackling this major problem. Also with the establishment of National Company Law Tribunal (NCLT), it is hoped that resolution process would happen in a time bound programme especially in case of defaulting promoters who do not agree a plan with its banker in stipulated 180 days. In another move, the finance ministry in its note (issued on 28-Feb-2018) have asked captains of PSBs to identify gaps/weaknesses for improvement, cover operational and technological risks to take pre-emptive action, and to learn from the best practices.

RECOMMENDATIONS

- Advances by SCBs should to be done pre-sanctioning evaluation (both project/ industry related and track-record/credit worthiness of borrower) and post-disbursement control so as to ensure that NPA can decrease.
- Banks need to follow stipulated procedures and rules while selecting borrowers and to make regular follow-up to get timely payment.

LIMITATION

The study is limited to select variables and confined to the nine year period (post-2008 global financial crisis). Any limitation to the study and the analysis due to circumstances beyond one's control is unintentional.

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Perception of Passengers towards Service Quality of Air Lines: A Case Study of Air India

*Dr. Jai Prakash Yadav**

ABSTRACT

The study attempts to assess the service quality of Air India with objectives to determining what establishes the service variables, how satisfied are the passengers with the services of the above stated airline and advocate to managers of this airlines on how to improve and promote satisfaction level of customers. This research study examines the service quality delivered by Air India on the backdrop of stiff competition in the airline service sector. The process of travelling on a domestic airline was divided into pre-flight, in-flight and post-flight experiences. A survey was conducted to find out the perceived service quality of frequent fliers on Air India across a series of service performance variables. Data was collected from the respondent by a well-structured questionnaire to discover the perception of the passengers of the airline under study. The SERVQUAL model was utilized to analyze and determine the service quality gaps between the customer's expectation and its perception of the service physiognomies. It was learnt from the result that Air India displayed a good service quality in the assurance, responsiveness, reliability and the technical dimension of their services but the tangible, empathy dimensions needs a lot of enhancement. On this ground, recommendations were made for airline manager to advance the service that showed a below expectation level of service and consistent survey of their performance from their customers should be carried out to stay informed with the current needs of its passengers.

Keywords: *Quality Gaps, SERVQUAL, Service*

INTRODUCTION

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world. India is expected to become the world's largest domestic civil aviation market in the next 10 to 15 years, as per Mr Jayant Sinha, Union Minister of State for Civil Aviation, Government of India. According to International Air Transport Association IATA, India will displace the UK for the third place in 2025.

The Civil Aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), modern airports, Foreign Direct Investment (FDI) in domestic airlines, advanced information technology (IT) interventions and growing emphasis on regional connectivity.

Air traffic in India rose 15.80 per cent year-on-year to 280.24 million during April-February 2017-18. Witnessing a growth of 18.50 per cent over the previous year, total passenger traffic stood at a 264.97 million in FY17. India's passenger traffic grew 15.80 per cent y-o-y to 280.24 million during April-February 2017-18.

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As of March 2018, there are nearly 550 commercial aircraft in operation in India.

According to data released by the Department of Industrial Policy and Promotion (DIPP), FDI inflows in air transport (including air freight) between April 2000 and December 2017 stood at US\$ 1,608.51 million.

Today competition is not only rife, but growing more intense constantly. However companies need to start paying keen attention to their competitors, they must understand their customers. Airlines are suffering from such competition. They have to believe customers as core concept of their business: customer satisfaction is what guarantees the future of airlines and it is achievable by an adoption between their services and passengers' needs. In another word, service quality is typically defined in terms of consumer satisfaction. Pricing and service quality are the key variables that decide the brand equity of each player in the airline industry. Existing literature suggests that measurement and management of service quality is the key for survival of airline companies.

The airline industry, which is a service-oriented business, is difficult to market using only traditional marketing approach. In a product business, the product is fairly standardized and sits on a shelf, waiting for the customer to reach for it. In the airline business, the customer confronts the airline whose service quality is less certain and more variables. As competition intensifies, more marketing sophistication will be needed. Airline companies face three tasks, those of increasing their:

- i. Competitive differentiation
- ii. Service quality
- iii. Productivity

Various carriers have introduced such innovations as movies on board, advanced seating, merchandise for sale, air-to-ground telephone service and frequent-flyer award programs to augment the offer. While one airline introduced sparsely consumed cabin crews, another added a piano bar. Airlines today talk about adding suit pressing and shoe-shining services, a library of bestselling books and magazines, laptop computers and so on. The only problem is that most of these innovations are easily copied. Few of them are pre-emptive in the long run. Still the airline that regularly researches and develops innovative will gain a temporary advantage over its competitors. In the process they earn innovative reputation and may retain customers who want to go with the best airline.

One of the major ways to differentiate an airline is to deliver consistently and efficiently high quality services than competitors. The key is to meet or exceed the target customer's service quality expectations. But the airlines constantly face trade-offs between customer satisfaction and company profitability. The airline therefore, clearly defines and communicates the service level that will be provided, so that will be provided, so that employees know what they should get. Unfortunately most after the airlines don't deliver what they promise.

The third aspect is to increase productivity. This is done by designing more effective service, substituting absolute aircraft by new generation carries etc. Airline companies must avoid pushing productivity so hard that it reduces perceived quality. They should standardized quality and thereby increase customer satisfaction.

The rapid development in the means of transport and communication has made the whole world practically one neighbourhood and has made travel an easy affair. Today millions of people seem to enjoy the prospect of moving from one continent to another in a matter of hours. The great phenomenon that is being witnessed today is a visible result of the great waves of technology which have changed the social geography of the world since the late nineteenth century. Increase in leisure time, cheaper travel and rising curiosity about land, people and their ways of life promises a bright future for tourism and travel industry. Last few years have witnessed a dramatic improvement in the way travel is looked at and it is predicted that travel and tourism will become one of the highest growth sectors in the new century. In service industries such as the airline industry, the distinctive features of services require that managers understand customer needs and expectations, and keep promises (Zeithaml and Bitner, 2000). However, most companies do not recognize the importance of this approach until driven to it by circumstances (Kotler, 2000).

A high quality service is the cornerstone of any successful service industry which is why marketing strategies implemented by airlines to expand internationally must take into account the different expectations and perceptions of passengers (Sultan and Simpson, 2000). In highly competitive industries, while operational efficiency helps reduce costs, customer satisfaction is the key to market leadership and sustained profitability in the long run (Gustaffson et al., 1999). Airline industry has realized the importance of satisfying customers, as satisfied customers continue to be the single most important reason for phenomenal growth in the passenger traffic thereby creating new opportunities for growth by spreading positive word of mouth.

Customer experience is a journey that a consumer takes along a series of encounters: they become aware of a brand, consider what's on offer, make enquires, make a purchase and use the service. Customers may choose to stay with the current service provider or may even choose to opt for a different set of services. However, the airline industry has reached a crossroads where on one hand it is important to satisfy consumers by providing them with the best facilities, yet fuel and labour costs continue to find ways and means of cutting down on costs, giving rise to a phenomenon of low cost/ no-frill airlines.

The existence of low cost airlines is no longer a phenomenon in the sky alone. According to Economist Williams (2001), the airlines that would not serve any free food, assign seats, provide transfers or compensate for lost luggage, are now being favored not only by bargain-hunting leisure travelers, but also by thrifty business

The aviation sector has become the most important segment in the economic development of a nation. It plays a vital role in moving people or products from one place to another, be it domestic or international, especially when the distances involved are far. Stiff competition and favorable initiatives of the Government of India added fuel

to enlarge both flights and fleets.

In a highly competitive environment the provision of high quality services to passengers is the core competitive advantage for an airline's profitability and sustained growth. In the past decade, as the air transportation market has become even more challenging, many airlines have turned to focus on airline service quality to increase service satisfaction. Service quality conditions influences a firm's competitive advantage by retaining customer patronage, and with this comes market share. Delivering high-quality service to passengers is essential for airline survival, so airlines need to understand what passengers expect from their services. Service quality can be defined as a consumer's overall impression of the relative efficiency of the organization and its services. Understanding exactly what customers expect is the most crucial step in defining and delivering high-quality service. Service quality is one of the best models for evaluating customers' expectations and perceptions. The performance of a company leads to passenger satisfaction with a product or service. Passenger satisfaction is fundamental to the practice of consumer sovereignty. Recently many researchers stresses that, customer satisfaction have become an important issue for marketing practitioners because of the rapid business environment. Passenger satisfaction can be defined as a judgment made on the basis of a specific service encounter. Satisfaction and loyalty are not surrogates for each other. It is possible for customers to be loyal without being highly satisfied and to be highly satisfied and yet not loyal. Firms are needed to gain a better understanding of the relationship between satisfaction and behavioral intention in the online environment and to allocate the online marketing efforts between satisfaction initiatives and behavioral intention program. Moreover, the results from this research would assist airline managers to better serve their customers, monitor and develop service quality to achieve the highest level of their passengers' satisfaction.

Air India

Air India is the flagship carrier airline of India and is owned by Air India Ltd. It began its operations in 1932. Presently, it is the third largest airline in India in terms of domestic market share. It mainly operates a fleet of Airbus and Boeing aircrafts serving various domestic and international airports. It is headquartered in the Indian Airlines house at New Delhi. Air India has two major domestic hubs at Indira Gandhi International Airport, New Delhi, and Chhatrapati Shivaji International Airport, Mumbai, and secondary hubs at Chennai International Airport and Netaji Subhash Chandra Bose International Airport, Kolkata. It operates one of the youngest fleets in the world and regular upgrades ensure that they provide a superior flight experience to its customers.

LITERATURE REVIEW

In the 1970s the Civil Aeronautics Board (Douglas & Miller, 1974; Jordan, 1970) developed the initial tools of service quality measurement in the airline industry in the U.S.A. These studies were based on economic variables, and pre-deregulation, developed as service quality assessments from the perspective of the airline consumer. Kearney (1986) was the first one to conduct service quality assessments from the perspective of the airline consumer in his doctoral dissertation work, which examined

service quality from the perspective of industry-based economic and marketing measures.

Many researchers and marketers have focused their attention on customer evaluations of services in an effort to find ways to improve service quality (Fisk, Brown, & Bitner, 1993). Extensive research has been conducted in the field of service quality. Parasuraman et al. (Parasuraman, Berry, & Zeithaml, 1991; Parasuraman, Zeithaml, & Berry, 1985, 1988) developed a service quality measure, called SERVQUAL, which states that the customer's assessment of overall service quality is determined by the degree and direction of the gap between their expectations and perceptions of actual performance levels. They also identified five essentials for service quality: tangibles, reliability, responsiveness, assurance, and empathy. They proposed that perceived service quality could be estimated by calculating the difference between expectations and perceptions of actual service performance. The SERVQUAL scale has been criticized for its validity and reliability. Buttle (1996) pointed out that including all 44 items (22 items of service expectations and a duplicate of 22 items of service performance) in one study often makes the survey task too difficult for respondents. Cronin and Taylor (1992, 1994) have empirically proved that the measures of service performance or SERVPERF, is more effective than SERVQUAL, which includes expectations as well as performance. SERVPERF is now widely used in measuring customer evaluations of service quality (Cunningham and Young, 2004).

Cunningham and Young (2004) used SERVPERF in measuring the airline service quality. Their literature review suggests that initial publications on airline service quality appeared in 1988 (Gourdin, 1988). Fick & Ritchie and Gourdin & Kloppenborg were the first to apply the service quality gap model to the airline industry in 1991. Fick and Ritchie (1991) used the SERVQUAL scale to measure perceived service quality within several service industries including the airline industry. They found the mean scores of consumer expectation and perception of service performance measures and failed to determine the relative impact of various SERVQUAL items on overall service quality and satisfaction (Cunningham et al 2004).

Measurement and management of service quality is the fundamental issue for the survival and growth of airline companies (Cunningham, Young, and Lee 2002). Cunningham, Young, and Lee (2002) conducted studies on perceptions of airline service quality of U.S. and Korean customers based on SERVPERF and industry-based measures, as well as their perceptions of risks involved in the airline choice. The results suggested that U.S. customers consider service reliability, in-flight comfort, and connections as the key factors determining satisfaction with airline service, whereas Korean passengers generally regard reliability, assurance, and risk factors as predictors of satisfaction. This study conducted by Cunningham, Young, and Lee (2002) is interesting as it has measured service quality based on SERVPERF which is a set of multi-dimensional measures of customer evaluations of service quality (Cunningham, Young, and Lee 2002).

Wen Li and Chen (1998) studied the quality evaluation of domestic airline industry using modified Taguchi loss function with different weights and target values. By using

Taguchi loss function one can quantify quality and thus compare service quality objectively. According to Wen Li and Chen (1998), the process of travelling a domestic airline can be described as follows:

Ticket— Check -in —boarding — departure — flying—arrival — baggage claim

Three quality categories with ten identified variables are proposed by Wen Li and Chen (1998) and service quality of domestic airline is quantified accordingly. Taguchi loss function requires industry measures to measure airline service quality.

Natalisa and Subroto (2003) combine the variables of product quality and service quality into variable of service quality and studied the customers' perception of service quality in the domestic airline services of Indonesia.

In short, service quality of airlines have been studied based on industry measures, SERVQUAL, SERVPERF, Taguchi loss function and Zeithaml and Bitner Model.

The study attempted to examine the satisfaction level of service quality of domestic airline travellers in India across fourteen airline travel process variables suggested by Wen Li and Chen (1998) which are modified to suit the Indian standards. Some of these variables can also be included as the reliability and responsiveness variables of SERVPERF. The flying experience has been divided into pre-flight, on flight and post flight experiences.

OBJECTIVE OF PAPER

The main objective of this study is to examine the satisfaction of passengers on service quality of Air India:

- To explore the level of passengers satisfaction with the service quality on Air India in terms of three dimensions of service quality instrument i.e., in-flight services, in-flight digital services and back office operations.
- To elucidate the relationship between service qualities delivered to passengers and their satisfaction as to different classes of journey.
- To examine the demographic profile of the respondents and their satisfaction on the services rendered by the airlines.

RESEARCH METHODOLOGY

In search of a thorough study, valid theoretical and practical conclusions and different techniques considered appropriate for collecting primary and secondary data were used. The secondary data was collected through a theoretical study. The theoretical study comprises books, articles and journals which are related to the field under study—in this case- perception of passengers towards service quality of Air India . On the other hand, primary data was collected through an empirical study. The empirical study was made through the employment of a questionnaire regarding perception of passengers towards service quality of Air India.

Primary data is data originating from the researcher for the purpose of addressing the research issue. It is what the researcher originally collects from the target sample or

population. In this specific study primary data is that collected from the sample/ respondents through the deployment of questionnaire.

Secondary data is data collected for some purpose other than the issue at hand. In this study, secondary data is collected from the directories of company's used for study and online articles and journals specifically relevant to the field of study, which is customer satisfaction.

Questionnaire Design

The respondents were asked to evaluate the service quality of the service provided by the airline, which they have travelled. Perceived service quality of each variable was measured through questions designed on a 5-point Likert-type scale ranging from *always* to *never*. For example, the on-time services of the airline was measured through the question, "The flights are on time" with always as the best positive response and never as the worst negative response, any other response can be recorded between "always" and "never" on the scale. Similarly, other good ground service - in-flight service and post-flight service were measured through the same scale. The questionnaire also had a question to check the response to the loyalty programs provided by the airlines to frequent fliers which was measured through, "the airline offers real benefits to frequent fliers" on the five point Likert - type scale. The authors discussed the air travel process with at least five frequent fliers of domestic airlines in India to understand the process in the Indian condition apart from the fact that both the authors are themselves frequent fliers of domestic airlines.

Sample Characteristics

Some of the SERVPERF variables developed by Cronin and Taylor (1992) were adapted along with the process variables (Wen Li and Chen 1998) to the Indian market conditions based on the fact that air traffic in India has gone up only in the last three years and still a very small percentage of the population travel by air. "Population" consisted of the customers of four domestic airline companies in India viz. Jet Airways, Indian Airlines, Spicejet and Kingfisher. These airlines were selected, as they are representative of the major segments in the airline industry from full fare to low priced airlines. Convenience sampling was done. Targeted sample size was 30 per airline, and achieved sizes were as follows.

No	Company	Obtained number of samples
1.	Jet Airways	39
2.	Air India	40
3.	Spicejet	29
4.	Indigo	26

Table 1: Airline wise Composition of Sample

“Always” (as a response) was given a score of (=1) and “Never” (as a response) was given a score of (=5) and any other response was between these.

Measuring the customer satisfaction level in the airline industry on the pre-determined attributes.

1. Punctuality
2. Promptness of service
3. Courtesy
4. Reservations
5. Safety
6. Interiors
7. Food
8. Ground Support Staff
9. Frequency of flights
10. Destinations Covered
11. Baggage Handling
12. Staff Uniform
13. Discounts.

The above-mentioned attributes were taken into consideration after considerable discussion with people from the airline industry and going through prior surveys.

ANALYSIS & FINDINGS

The statistical analyses used were one way ANOVA, Discriminant Analysis, Cluster analysis and Cross Tabulation. Analysis of research data used the level of significance, $\alpha = 0.05$

Mean Difference Results

Table 2 provides a summary of the mean scores for the variables in the study.

The objective of this study was to examine customer perception of service quality. One way-ANOVA was performed and the result showed a significant difference among the four airlines, except in two variables viz. baggage loss and online booking. Travellers agreed that all the airlines manage baggage well and all of them provided online booking.

Pre-Flight Service Quality

Pre-flight service was examined by rating the variables listed below.

1. Flights are on time
2. Good ground service,
3. The airline keeps its travellers informed in the case of a delay through SMS or a call

4. The airlines makes regular announcement in case of a delay to keep the travellers informed of the status quo
5. The airline provides refreshments whenever there is a delay,
6. Provide accommodation if there is a long delay.
7. All the six pre-flight SERVPERF variables were found to be significant as shown by the one way ANOVA that is displayed as Table 2. The four airlines provided significantly different service quality in the pre flight service.

Variable	Jet Air Mean	Air India Mean	Spice-jet Mean	Indigo		One-Way ANOV	
				Mean	df	F Value	Significance
On-time	1.9231	3.0750	3.96	2.4583	3	21.941	.000
Delay information	1.7895	3.1282	2.8929	2.3158	3	7.372	.000
Announce delay	1.4595	2.0278	2.9231	1.8571	3	9.593	.000
Good in-flight service	1.5641	2.8158	3.7692	1.5833	3	37.506	.000
Good in-flight food	1.7632	2.7895	3.8261	2.0435	3	20.961	.000
Waiting time for baggage	2.2895	2.6053	3.2800	2.4167	3	4.760	.004
Baggage loss	4.1212	3.6857	3.8696	4.4000	3	1.347	.263
Compensate baggage-Loss	2.6957	3.2083	3.8667	2.5000	3	3.028	.035
Good ground service	1.7059	2.6000	3.0833	1.5417	3	12.147	.000
Refreshments on delay	1.9189	3.0000	4.1818	1.8095	3	19.609	.000
Accommodation on-Delay	2.2258	2.7931	4.1053	2.7647	3	7.231	.000
Discounted fare	1.2571	1.7241	1.3333	1.2381	3	1.805	.151
Real benefits for - Frequent fliers	1.4000	2.0294	1.3462	1.5000	3	3.184	.023
	1.4211	2.5455	2.5455	2.1111	3	5.489	.002

Table 2: Service Quality Scores for Various Airlines

Jet Airways travellers found its flights to be on time usually against Spicejet travelers who rated its flights to be almost never on time. Jet Airways, Indigo, and Spicejet usually informed the customers about delay in advance through SMS or telephone call. Air India was rated average on this service quality variable. All the four airlines were found to be above average in announcing delay. Except for Spicejet, the other three airlines were rated as providing good ground service. In the case of a delay Jet Airways and Indigo usually provided the travellers with refreshments whereas Spicejet never provided such services. Except Spicejet, all the other airlines usually provided accommodation in case of delay. The study conducted by Gourdin and Kloppenborg (1991) identified on-board comfort, being kept informed regarding delays and being cared for when travel

was disrupted as being important to passengers.

In-flight Services

Jet Airways, Air India and Indigo were rated as providing very good in-flight service whereas Spicejet was rated to be providing almost no service quality on in-flight services. Jet Airways was found to be providing good in-flight food along with Indigo. Air India was rated as average in providing good in-flight food. Spicejet did not offer in-flight food at all. The study conducted by Gourdin and Kloppenborg (1991) did not find courteous cabin attendants and beverage service on short flights as important to passengers.

Post Flight Services

Spicejet travellers rated longest waiting time for baggage arrival against other airlines. Baggage loss was found to be almost never a problem with Jet Airways and Indigo where as Air India and Spicejet travellers had to face baggage loss, sometimes. On the occurrence of baggage loss Spicejet sometimes never compensated for the baggage loss.

There was no significant difference among the airlines on services such as online booking which just meant such a service was provided by all the airlines. All the airlines were found to be providing discounted fares and real benefits for frequent fliers.

Discriminant Analysis

Discriminant analysis revealed significant differences among the airlines. Three functions were produced, of which the first was statistically significant. (Refer Table 3). The second and third functions were not significant.

Test for function(s)	Wilks' Lamba	Chi-square	df	Sig.
1 through 3	.238	60.340	42	.033
2 through 3	.625	19.774	26	.802
3	.933	2.897	12	.996

Table 3: Wilks' Lambda

From the standardized Discriminant function coefficients (Table 3), it appears that function 1 consists of good in-flight service, waiting time for baggage, compensation for baggage loss, refreshments on delay, accommodation on delay and discounted fare. Hence, we could conclude that the difference between airlines is a multi-dimensional construct consisting of in-flight service, delay handling, baggage handling and pricing. Together, these may be named as basic service elements, on which airlines seem to differ significantly. The only exception seems to be delay information, loading highly on function two, and delay announcement and good ground service, which are loading highly on function three. But these are not significant statistically and therefore should be treated with caution.

	Functions		
	1	2	3
on time	.354	.242	.733
delay information	-.283	.979	-.150
good in-flight service	.742	.211	-.407
good in-flight food	-.326	.072	-.086
waiting time for baggage	.582	-.199	-.253
baggage loss	.073	-.091	.416
compensate baggage loss	-.617	.233	-.535
good ground service	.024	-.135	-.643
refreshments on delay	.521	-.273	.072
accommodation on delay	.529	-.466	.304
online booking	-.118	-.069	-.352
discounted fare	-.526	.130	.502
real benefits for frequent fliers	-.060	.440	.102

Table 4: Standardized Canonical Discriminant Function Coefficients

Positioning of the four airline brands through Discriminant Analysis: A perceptual map is drawn using functions 1 and 2, the relative positions of the four brands of airlines which is derived from Table 4.

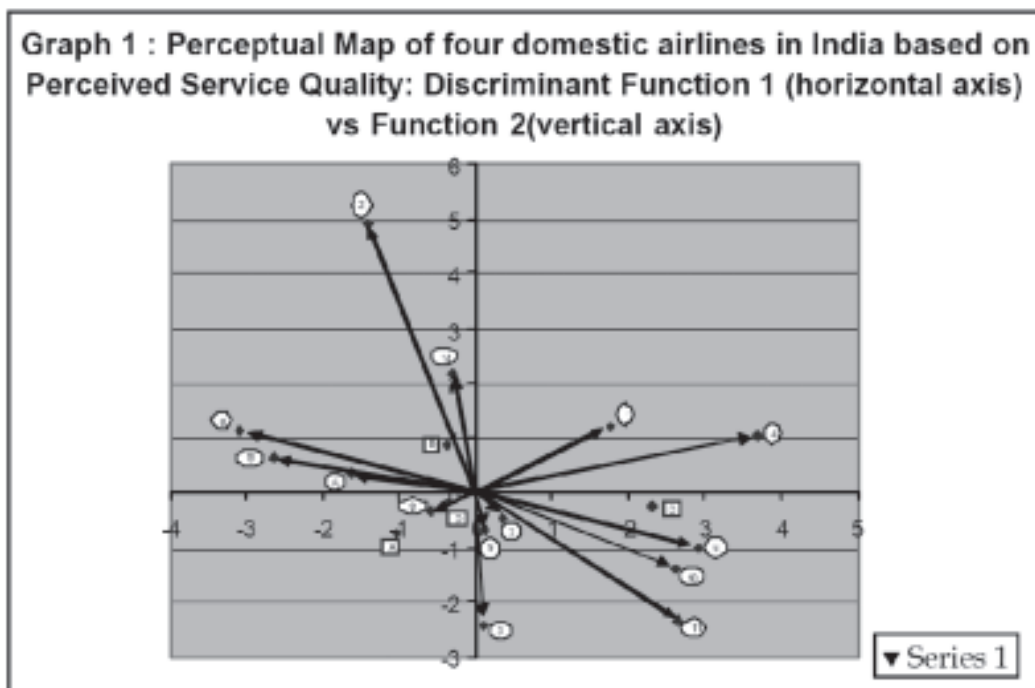
Airlines Name	Functions		
	1	2	3
Jet Airways	-1.022	-.733	-.158
Air India	-.361	.886	-.074
Spicejet	2.300	-.264	-.059
Indigo	-.350	-.189	.643
Unstandardized canonical Discriminant functions evaluated at group means			

Table 5: Functions at Group Centroids

The perceptual map shows that Jet Airways and Indigo are positioned together. Spicejet and Air India are positioned far away from each other. A, B, C and D in the perceptual map represents the airlines as per Table 6 given below. The horizontal axis represents Function 1 and the vertical axis, Function 2.

SI No	Airline Name
A	Jet airways
B	Air India
C	Spicejet
D	Indigo

Table 6: Brands of Airlines from the Group Centroids



The fourteen attribute vectors are mapped across the perceptual space. Vectors 1 to 14 can be identified from Table 7 given below.

Cluster Analysis

Cluster analysis was performed to find out the similarity between brands and to reiterate the positioning exercise done by Discriminant analysis. An ANOVA conducted for cluster analysis showed that all the service attributes to be significantly different across the different clusters (Refer Table 8).

Four major clusters were identified. Cross tabulation was conducted to find the relationship between the brands and the four different clusters. Table 8 shows that most of the Jet Airways and Indigo customers belong to cluster 2. Air India and Spicejet customers dominate cluster 3. Cluster 4 has a large representation of customers of Air India where as cluster 1 does not seem to be very significant.

1.	On time
2.	Delay information
3.	Announce delay
4.	Good in-flight service
5.	Good in-flight food
6.	Waiting time for baggage
7.	Baggage loss
8.	Compensate baggage loss
9.	Good ground service
10.	Refreshments on delay
11.	Accommodation on delay
12.	Online booking
13.	Discounted fare
14.	Real benefits for frequent fliers

Table 7: Attribute Vectors based on Standardized Canonical Discriminant Function Coefficients

	Cluster		Error		F	Signi
	Mean Square	Df	Mean Square	Df		
on time	30.783	3	.940	126	32.745	.000
delay information	35.893	3	1.209	120	29.680	.000
announce delay	29.422	3	.687	116	42.822	.000
good in-flight service	39.452	3	.715	123	55.167	.000
good inflight food	38.787	3	.695	118	55.770	.000
waiting time for baggage	16.200	3	.853	121	18.995	.000
baggage loss	37.954	3	.861	107	44.093	.000
compensate baggage loss	18.986	3	1.214	68	15.641	.000
good ground service	26.857	3	.846	113	31.728	.000
refreshments on delay	39.417	3	1.278	109	30.845	.000
accommodation on delay	34.155	3	1.291	92	26.456	.000
online booking	6.105	3	.677	102	9.020	.000
discounted fare	5.528	3	.900	113	6.140	.001
real benefits for frequent fliers	20.021	3	1.430	107	13.999	.000

Table 8: ANOVA

Table 9: Airline Name and Cluster Number of Case Cross tabulation

Airline Name	Cluster	Number of Case				Total
		1	2	3	4	
		1	2	3	4	5
Jet Airways		0	27	5	7	39
Air India		1	7	17	15	40
Spicejet		6	0	18	5	29
Indigo		2	15	4	5	26
Total		9	49	44	32	134

Based on the above findings, Jet Airways and Indigo can be considered as brands which have similar attributes, as most of their customers are found to be members of cluster two.

CONCLUSIONS

With this prerogative I have undertaken the study to evaluate and analyse the service delivery gap in the airline industry. That means to infer a step by step method of finding customers expectations in the airlines they travel in and equating them with the services actually provided. My research was conducted in Delhi with the sample size of 100 respondents. The respondents were who had travelled by the airlines under consideration. This study thus tried to examine customer satisfaction among travellers of four major domestic airlines in India. Because of proliferated number of players in the airline industry, airlines may enjoy new business opportunities along with high competitive threats. The objective of this study is to understand the customer satisfaction levels of the four major airlines viz. Jet Airways, Air India, Spicejet and Indigo.

After analyzing the demographics of the respondents I tabulated the other responses that were collected through questionnaire survey.

The respondents are asked the frequency of their air travel and the study revealed the fact that maximum number of people were used to travel by air. Coming on to choosing the airlines the respondents are asked to rank parameters which the customers usually give weightage while selecting a particular airline.

A comparison of customer satisfaction based on service quality was done among the four major airlines based on responses from frequent fliers across fourteen variables on a five point Likert scale. A flying experience was divided into three stages- namely, pre-flight, in-flight and post-flight experience. A questionnaire was designed in such a way that the same sets of variables were measured among the customers of the four airlines under study. Fliers who had flown any of the four airlines could answer the questions pertaining to those airlines. The objective of this study was to understand the satisfaction levels of the airline customers. The study measured the expected level of service quality using a Likert type scale.

When considered in totality the results of this study suggest that implementation of

basic service quality is essential to combat the growing competition. Differentiation can occur only by adding new service elements along with providing better quality in delivering the current service.

The study results suggest that many different social events and variables also have an impact on how customers look at each brand.

Air India was rated as providing good in-flight food, waiting time for baggage, good ground service, accommodation on delay and a few other elements such as price, online booking and benefits for frequent fliers. Air India was rated as average or below average on the rest of the service variables. Baggage loss has been reported as a problem faced by some of the Air India customers.

This study shows that customers of Jet Airways rate it as an airline that provides very good service quality across the fourteen service variables. Indigo ranks second and its customers have reported that usually the airline provides good service quality. Spicejet has been rated by its customers as providing good service quality in informing customer about delay. Spicejet customers are happy with its provision for online booking, discounted fare and real benefits for frequent fliers.

The study revealed that customers were not happy with all the other service variables which suggest that the overall service quality of Spicejet is not considered good. Some of the Spicejet customers report baggage loss as a problem. Spicejet calls itself a no-frill service provider as it is a low cost airline. The travellers of Spicejet seem to rate it to be a bad service provider even though they were flying on low fares. When Spicejet has large volume loads and generates revenue, it should rethink its value proposition in terms of providing basic service quality to stay in the market.

It can also be a case of concern to Air India as our study has found that the overall service quality provided by the airline is considered below satisfactory by its customers.

The gaps in reference to Air India can be related to several factors:

- Being national Airlines the expectations in terms of services are high in comparison to other private players in the industry.
- The airlines caters to maximum number of destinations, has the most experiences man-power, has better infrastructure as compared to other airlines thus at times it is difficult to maintain service standards across all segments.

Air India officials have themselves realised the gaps in their service and have fortunately risen to amend them.

They have initiated a few steps like:

- Increasing frequency on several sectors
- Upgrading their meal service
- They have made changes in the seating arrangement to provide greater leg room on their flights.
- The most important step undertaken is an attempt to bring better work culture

and for this the airline has also appointed Time Management International to train its personnel.

RECOMMENDATIONS

India's aviation industry is largely untapped with huge growth opportunities, considering that air transport is still expensive for majority of the country's population, of which nearly 40 per cent is the upwardly mobile middle class.

The industry stakeholders should engage and collaborate with policy makers to implement efficient and rational decisions that would boost India's civil aviation industry. With the right policies and relentless focus on quality, cost and passenger interest, India would be well placed to achieve its vision of becoming the third-largest aviation market by 2025.

In the coming 20 years, Indian companies will buy 2,100 new planes worth US\$ 290 billion. Also, domestic air traffic in India is expected to cross 150 million in FY19, on the back of unprecedented capacity induction by airlines¹.

Signal from the study suggest that the air India managers should develop strategies to improve service quality further such as meeting passengers' desired service levels, Quality of in-flight meals, Trouble free check-in and boarding etc. These strategies will enhance airline image and result in retaining existing passengers and tempting passengers form other airline services. Employees should engage on training courses on regular basis on the area of care and concern for passengers, Prompt attention to passenger special needs, Sincerity and patience in resolving problems etc.

LIMITATIONS AND SCOPE FOR FURTHER STUDIES

Further research should be carried out in order to enhance the understanding of the concepts of service quality and customer satisfaction, how they are measured because they are very important for service organization in terms of profitability and growth. A similar study could be conducted with a larger sample size so that results could be generalized to a larger population. This study can be carried out in other areas comprised of multiple cultures in order to find out the applicability of the SERVQUAL model in Airline. Further studies could be carried out on service quality of Air India in Delhi specifically to assess passengers' service quality perceptions of Air India with similar sizes.

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¹ <https://www.ibef.org/industry/indian-aviation.aspx>

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Appendices

Service Quality of Domestic Airlines in India: An Empirical Study

We are conducting a study on the service quality of four Indian domestic airline services. We request you to spare a few minutes to fill up the questions below. Thank You.

Please circle the relevant response on the following questions for all airlines you have travelled. (1=Always, 5=Never, and other responses are between these.)

1. The flights are on-time
 - a. Jet Airways Always 1 2 3 4 5 Never
 - b . Air India Always 1 2 3 4 5 Never
 - c. Spicejet Always 1 2 3 4 5 Never
 - d. Indigo Always 1 2 3 4 5 Never
2. The airline informs you in advance if there is delay (through sms or call)
 - a. Jet Airways Always 1 2 3 4 5 Never
 - b . Air India Always 1 2 3 4 5 Never
 - c. Spicejet Always 1 2 3 4 5 Never
 - d. Indigo Always 1 2 3 4 5 Never
3. If the flight is delayed, regular announcements are made
 - a. Jet Airways Always 1 2 3 4 5 Never
 - b . Air India Always 1 2 3 4 5 Never
 - c. Spicejet Always 1 2 3 4 5 Never
 - d. Indigo Always 1 2 3 4 5 Never
4. In-flight service is good
 - a. Jet Airways Always 1 2 3 4 5 Never

	b . Air India	Always	1	2	3	4	5	Never
	c. Spicejet	Always	1	2	3	4	5	Never
	d. Indigo	Always	1	2	3	4	5	Never
5.	The in-flight food is good							
	a. Jet Airways	Always	1	2	3	4	5	Never
	b. Air India	Always	1	2	3	4	5	Never
	c. Spicejet	Always	1	2	3	4	5	Never
	d. Indigo	Always	1	2	3	4	5	Never
6.	The waiting time for baggage arrival is reasonable							
	a. Jet Airways	Always	1	2	3	4	5	Never
	b. Air India	Always	1	2	3	4	5	Never
	c. Spicejet	Always	1	2	3	4	5	Never
	d. Indigo	Always	1	2	3	4	5	Never

Analysis of Sustainable Development Goals in the context of Human Development Approach

Arundhati Bhattacharya*

ABSTRACT

After successful achievement of Millennium Development Goals, United Nations (UN) passed a resolution, popularly known as 2030 Agenda for Sustainable Development. In conformity with the universal agenda, UN set 17 Sustainable Development Goals (SDGs), comprising of 169 targets in total with the broad objective of adopting transformative steps to ensure a sustainable world for future generations. The Human Development Report (HDR) 2016 is in compliance with the agenda and highlights the fundamental issue of sustainability, therefore connecting the human development approach with that of sustained development. This paper attempts to provide an insightful study of SDGs and then to explore the goals in the context of human development, as reflected in HDR 2016 along with statistical analysis with respect to countries, regions and groups.

Keywords: 2030 Agenda, HDR, Human Development, SDGs, Sustainable Development

INTRODUCTION

2030 Agenda

UNDP announced 2030 Agenda for Sustainable Development (w.e.f. 1 January, 2016), targeted to strengthen universal peace by chalking out a plan of action for people, planet and prosperity. The 2030 Agenda adopted by 193 member states of the United Nations on 25 September 2015 is considered among the most significant efforts to end poverty and achieve sustainable future. As a successor of Millennium Development Goals (MDGs), the Agenda aims at accomplishing the formers' unattained objectives within 2030. It constitutes of integrated 17 Sustainable Development Goals (SDGs) and 169 associated targets covering the whole spectrum of sustainable development; the economic, social and environmental development⁶.

Following are the main challenges which the UNDP strives to face and overcome:

- to end poverty and hunger everywhere;
- to combat inequalities within and among countries;
- to build peaceful, just and inclusive societies;
- to protect human rights and promote gender equality and the empowerment of women and girls;
- to ensure the lasting protection of the planet and its natural resources

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Realisation of the new agenda requires serious, co-operative and collaborative efforts of all member countries at 'intra' and 'inter' national levels. The deadline for fulfilling the commitments is set to be 2030.

As Dr. Angela Merkel, Chancellor of the Federal Republic of Germany puts it, "The 2030 Agenda provides us with a comprehensive and forward-looking approach for shaping our world together— not any old way, not at the expense of people and nature in other regions but for the benefit of everyone in our one world.

We all have a responsibility, day in and day out, to make sustainability a guiding principle in action— as responsible politicians and decision makers in business and society, as individuals who are truly interested in our future. Before the adoption of the 2030 Agenda it was the time to negotiate. Now is the time to act. It is up to us to enable everyone to live a life in dignity."⁶

Sustainable Development Goals (SDGs)

The ambitious UN goals for Sustainable Development aim at reaching everyone and leaving none behind, subject to the capacity of the nature. Successful attainment of the goals necessitates a holistic approach; involvement of governments, businesses, civil societies and the common people. Following table 1 shows the SDGs at a glance.

Goal 1	End poverty in all its forms everywhere
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3	Ensure healthy lives and promote well-being for all at all ages
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5	Achieve gender equality and empower all women and girls
Goal 6	Ensure availability and sustainable management of water and sanitation for all
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10	Reduce inequality within and among countries
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12	Ensure sustainable consumption and production patterns
Goal 13	Take urgent action to combat climate change and its impacts

Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Table1: Sustainable Development Goals; Source: UNDP, 2015

In a nutshell, to end poverty (Goal 1), every man, woman and child needs have food security and improved nutrition (Goal 2), clean water and safe sanitation (Goal 6), a safe and healthy living environment (Goal 11), good health (Goal 3) and quality education (Goal 4). Access to clean energy (Goal 7) and infrastructure, industrialization and innovation (Goal 9), and decent work (Goal 8) are necessary to reduce inequality (Goal 10)—including gender inequality (Goal 5)—to create inclusive green growth (Goal 8), and to ensure that well-being for all humans is in harmony with nature. To protect life both on land (Goal 15) and in the water (Goal 14), and to combat dangerous levels of climate change (Goal 13), we must produce and consume sustainably (Goal 12). Furthermore, to achieve these goals in a peaceful and just society (Goal 16), broad cooperation, coherence and good financing are needed (Goal 17). We have no planet B¹.

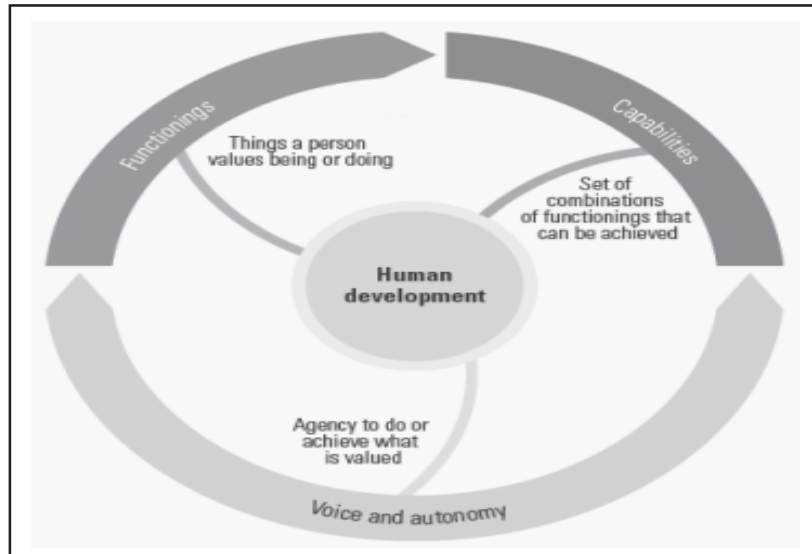
SDGs call for collaborative partnerships across and between countries with an aim to strike balance among the three dimensions of sustainable development - environmental sustainability, economic growth and social inclusion.

Agenda 2030, SDGs and Human Development

Human development is a process by which people's freedoms of choices are enlarged, capabilities are expanded. Human development approach provides a systematic way to analyze and cultivate the ideas of expanding choices, capabilities, the social and cognitive constraints and social norms and influences, empowerment and agencies that shape options and opportunities and the mechanisms that are fair and conducive to realizing human potential. Human development approach demands

- freedom of various functioning, such as being happy, socially attached, adequately nourished and in good health
- freedom of agency; people can pursue the goals or values considered important from their perspectives
- expansion of capabilities

Figure 1 depicts the various aspects of human development and their inter-relationship:



Source: HDR 2016, UNDP

Achievement of human development does not ensure its sustenance. Shocks and vulnerabilities can decelerate or even revert its progress. So one of the essential criteria of human development is its sustainability.

The 2011 Human Development Report defines sustainable human development as *“the expansion of the substantive freedoms of people today while making reasonable efforts to avoid seriously compromising those of future generations.”*³Sustainable human development requires simultaneous and perpetual expansion in all of the three spheres; viz., Environment, Economy and Society. Rene Passet (1979) introduced the idea of tri-spherical scheme of sustainable development, represented by three inter-linked rings of economy, environment and society (shown in Figure 2).

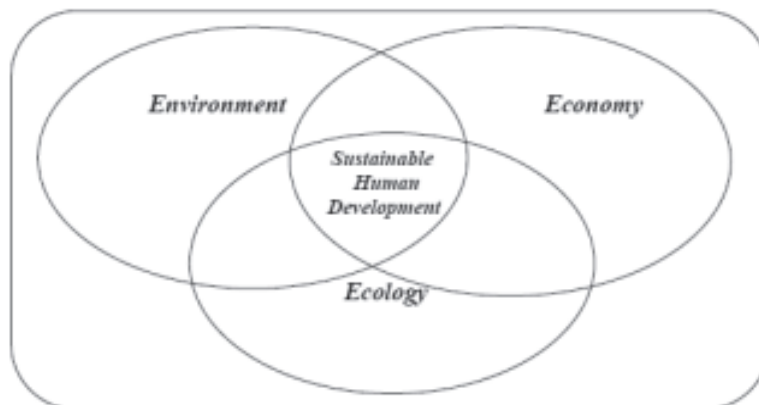


Figure 2: Common Tri-spherical View of Sustainable Development

Human development and Agenda 2030 with SDGs share a common ground in that all

- aim at touching the life of each and every human being and hence are universal in nature
- address fundamental areas of poverty, hunger and inequality and sustainability at core

Moreover, these three concepts are complementary and mutually reinforcing as

- they analyse, review and enrich each other
- human development indicators can be used to assess SDGs
- HDRs advocate the legitimacy of Agenda 2030 and SDGs which, in turn can guide HDRs in future

The analytical link between human development approach and Agenda 2030 (inclusive of SDGs) is shown in figure 3.

Adoption of the principle of universality by SDGs made them perfectly compatible with the universal nature of and integrated approach of human development to sustainability (as emphasised in HDR 2016). The indispensability of the SDGs in every human's development can be realised with the help of the following figure.



Figure 3: Analytical link between human development and Agenda 2030;

Source: HDR 2016, UNDP



Figure 4: SDGs as part of a five-point action agenda for human development;
 Source: HDR 2016, UNDP

OBJECTIVES OF THE STUDY

As perceived from the approach to human development combined with SDGs, sustainable human development needs simultaneous assessment of three sorts of sustainability, those related to environment, economy and society. HDR 2016 has specified the following indicators (shown in Table 2) for each type of sustainable development.

HDR 2016, along with other international organisations (mentioned in ‘Data Sources’) has published data on the above subjects for several countries (falling in different categories of human development).

Our objective is to construct separate indices of sustainability in the above three spheres and overall as well for the countries, whose data are available and compare them with respective Human Development Indices (HDIs). This is done so as to verify the close correspondence between human development and sustainable development, integration of which yields sustainable human development.

Environmental sustainability	Renewable energy consumption
	Carbon dioxide emissions
	Forest area
	Fresh water withdrawals

Economic sustainability	Natural resource depletion
	Adjusted net savings
	External debt stock
	Research and development expenditure
	Concentration index (exports)
Social sustainability	Income quintile ratio
	Gender Inequality
	Population in multidimensional poverty
	Old-age (ages 65 and older) dependency ratio

Table 2: Indicators of Sustainable Development (as per HDR 2016); Source: HDR 2016, UNDP

METHODOLOGY

First of all, we construct sub-indices for relevant sustainability (i.e., environmental, economic and social) with the help of First – Stage Principal Components Analysis. For i-th country, the sub-index for each relevant dimension are:

$$Env_Sus_SI_i = \sum_j \delta_{ij} X_{ij} + w_i$$

$$Eco_Sus_SI_i = \sum_j \delta_{ij} X_{ij} + w_i$$

$$Soc_Sus_SI_i = \sum_j \delta_{ij} X_{ij} + w_i$$

where i = 41, 55, 21, 31 and 7 for countries experiencing very high, high, medium and low human development and other countries or territories respectively;

j = 4, 5 and 4 for environmental, economic and social sustainability respectively.

The next or final step of the two-stage Principal Components Analysis involves calculation of Sustainable Development Index which can be expressed as a linear function of the relevant dimensions' sub-indices.

$$Sus_Index_i = \tilde{a}_1 Env_Sus_SI_{1i} + \tilde{a}_2 Eco_Sus_SI_{2i} + \tilde{a}_3 Soc_Sus_SI_{3k} + e_i$$

The Sustainable Development Index for each country is calculated in the following way:

$$Sus_Index_i = \frac{\sum \lambda'_k P'_k}{\sum \lambda'_{jk}}$$

Moreover, ordinary least squares are used to estimate the nature of dependence of HDI across countries on different sustainability sub-indices treated as explanatory variables.

Data Sources

- FAO (2016).
- HDRO calculations based on data from UNDESA (2015), UNESCO Institute for Statistics (2016), United Nations Statistics Division (2016), World Bank (2016), Barro and Lee (2016) and IMF (2016).
- HDRO calculations based on data from World Bank (2016).
- HDRO calculations based on data on forest area from World Bank (2016).
- HDRO calculations based on the Gender Inequality Index time series.
- HDRO calculations based on the Multidimensional Poverty Index time series.
- UNCTAD (2016).
- UNDESA (2015).
- World Bank (2016).

DATA ANALYSIS AND INTERPRETATION OF RESULTS

The environmental, economic and social sustainability sub-indices and Sustainable Development Indices for 148 countries (for which data are available), computed on the basis of two-stage Principal Components Method are shown graphically in the following figures 5a-5e, classifying them according to their level of human development (values of computed indices are shown in Table A1 in Appendix).

Figure 5a: Sustainability and development indices with very high human development

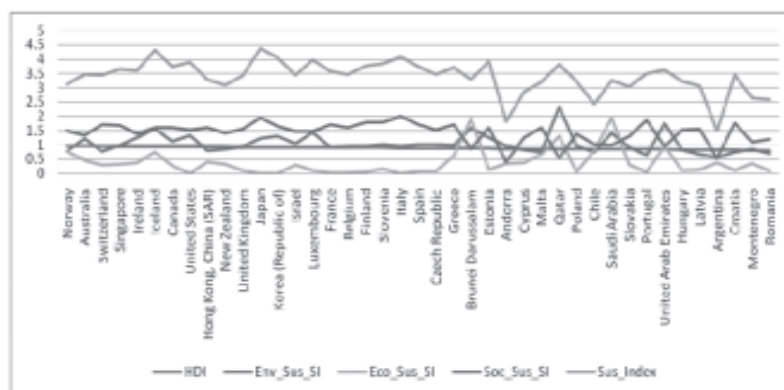


Figure 5b: Sustainability and development indices with high human development

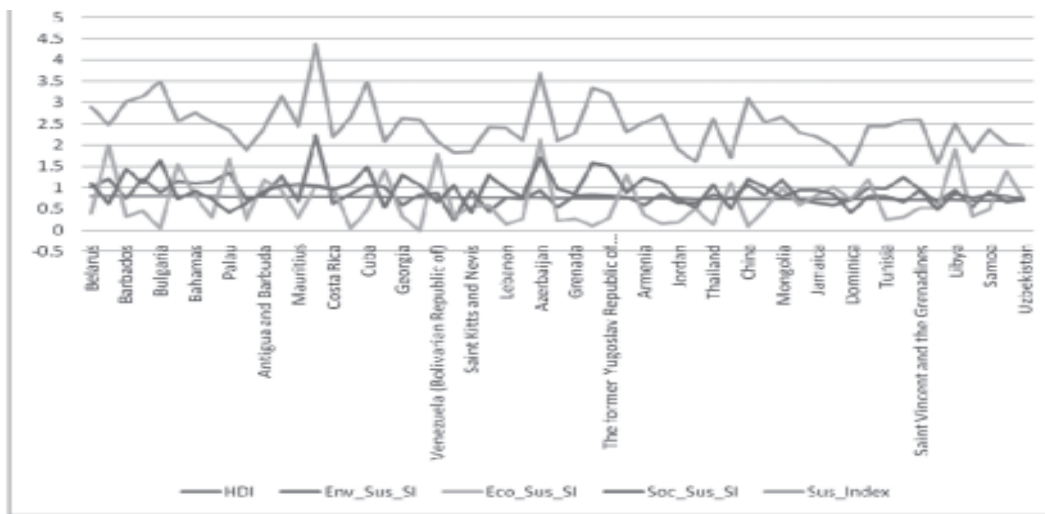


Figure 5c: Sustainability and development indices with medium human development

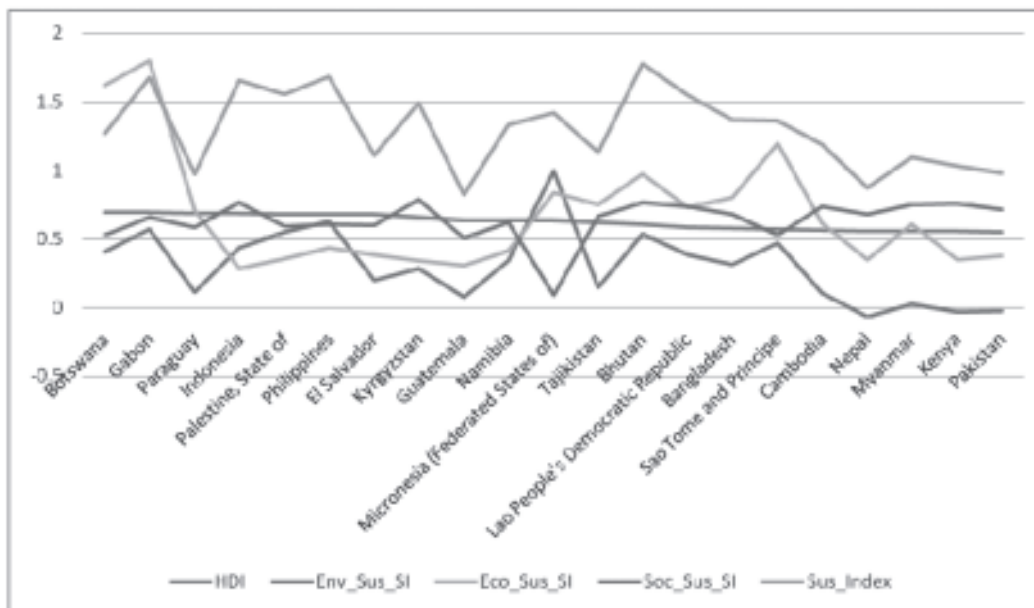


Figure 5d: Sustainability and development indices with low human development

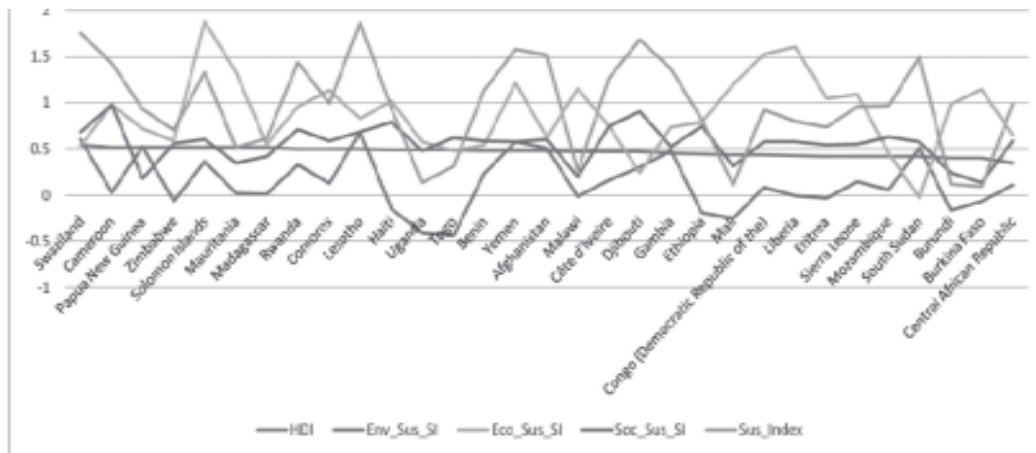
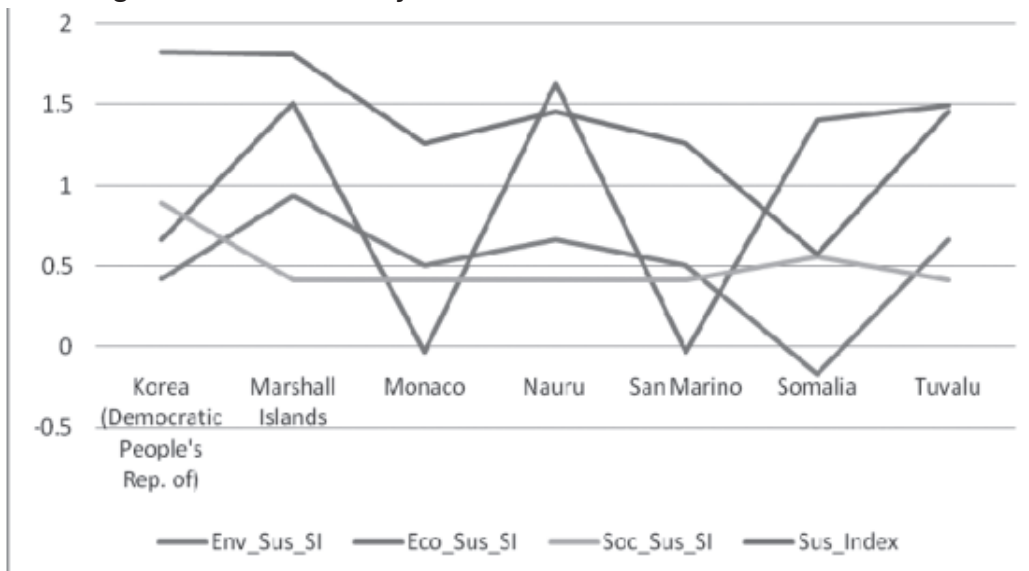


Figure 5e: Sustainability indices for other countries and territories



A comparative analysis of the relative impacts of the three sectors on sustainable development reveals that environmental sustainability has the greatest influence on overall sustainable development followed by social sustenance. Economic sustainability poses the least impact.

To trace out the dependence of human development (indicated by HDI) on three sectoral indices (obtained principal components method) across countries with different levels of human development, linear estimation is done (depicted in Tables 3a-3d). The results establish positive contribution of environmental, economic and social sustainability in human development. Moreover, it is highly correlated with sustainable development index (0.868).

Table 3a: Model summary (countries with very high human development)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.769	.034		22.921	.000
Env_Sus_SI	.034	.018	.310	1.892	.066
Eco_Sus_SI	.001	.016	.010	.052	.959
Soc_Sus_SI	.052	.018	.509	2.945	.006
R ²	.259				
F	4.321				.010

Dependent variable: HDI

Source: HDR 2016, UNDP

Table 3b: Model summary (countries with high human development)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.706	.017		41.752	.000
Env_Sus_SI	.030	.013	.315	2.342	.023
Eco_Sus_SI	.001	.007	.015	.109	.914
Soc_Sus_SI	.023	.012	.254	1.896	.064
R ²	.155				
F	3.115				.034

Dependent variable: HDI

Source: HDR 2016, UNDP

Table 3c: Model summary (countries with medium human development)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.592	.073		8.109	.000
Env_Sus_SI	.100	.057	.485	1.752	.098
Eco_Sus_SI	.001	.030	.009	.038	.970
Soc_Sus_SI	.004	.095	.012	.045	.964
R ²	.232				
F	1.712				.202

Dependent variable: HDI

Source: HDR 2016, UNDP

Table 3d: Model summary (countries with low human development)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.434	.034		12.764	.000
Env_Sus_SI	.029	.028	.192	1.024	.315
Eco_Sus_SI	.007	.021	.063	.333	.742
Soc_Sus_SI	.044	.043	.195	1.018	.318
R ²	.083				
F	.820				.494

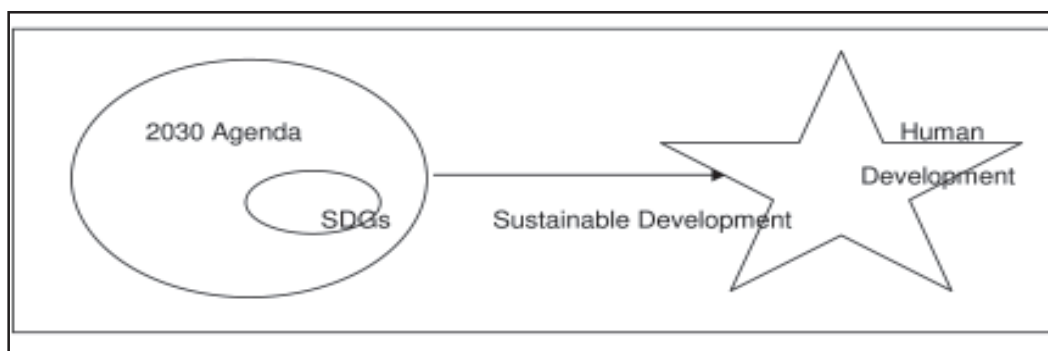
Dependent variable: HDI

Source: HDR 2016, UNDP

CONCLUDING REMARKS

The deep inter-relationship between sustainable development and that of human beings is well-known. This is an attempt to re-establish the fact from a new perspective. Agenda 2030, SDGs and HDR 2016 – all corroborate the fundamental truth – development with sustainability is the only way to development of humanity. The diagram below summarises the basic message delivered by HDR 2016 in this respect.

Figure 6: Sustainable path to human development



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APPENDIX

Table A1: Countrywise relevant sustainability sub-indices, sustainable development index and HDI

Very High Human Development					
Countries	Env_Sus_SI	Eco_Sus_SI	Soc_Sus_SI	Sus_Index	HDI
Norway	0.775162	0.783734	1.478255	3.12E+00	0.949
Australia	1.217107	0.455106	1.327944	3.48E+00	0.939
Switzerland	0.765942	0.306188	1.70662	3.43E+00	0.939
Singapore	0.971201	0.332452	1.670338	3.65E+00	0.925
Netherlands	1.028253	0.05207	1.765155	3.86E+00	0.924
Ireland	1.245966	0.363575	1.381734	3.59E+00	0.923
Iceland	1.571069	0.755128	1.59503	4.32E+00	0.921
Canada	1.122465	0.283028	1.590118	3.73E+00	0.92
United States	1.336941	0.014842	1.517721	3.91E+00	0.92
Hong Kong, China (SAR)	0.780375	0.399466	1.586065	3.28E+00	0.917
New Zealand	0.838948	0.329858	1.400874	3.09E+00	0.915
United Kingdom	0.927197	0.106483	1.555103	3.43E+00	0.909
Japan	1.225019	0.014504	1.949232	4.38E+00	0.903
Korea (Republic of)	1.304473	0.004592	1.651517	4.06E+00	0.901
Israel	1.0339	0.303521	1.473861	3.45E+00	0.899
Luxembourg	1.438224	0.108642	1.476671	3.98E+00	0.898
France	0.895225	0.019689	1.690148	3.58E+00	0.897
Belgium	0.922591	0.029382	1.590336	3.47E+00	0.896
Finland	0.949843	0.056557	1.766252	3.76E+00	0.895
Slovenia	0.99892	0.156056	1.780184	3.84E+00	0.89
Italy	0.963633	0.004057	1.988837	4.10E+00	0.887
Spain	1.009405	0.080972	1.697552	3.74E+00	0.884
Czech Republic	1.011181	0.080797	1.516899	3.48E+00	0.878
Greece	0.979381	0.611574	1.706669	3.71E+00	0.866
Brunei Darussalam	1.606496	1.919747	0.849458	3.30E+00	0.865
Estonia	1.243582	0.137141	1.607018	3.91E+00	0.865
Andorra	0.948231	0.360972	0.415529	1.83E+00	0.858
Cyprus	0.811013	0.366745	1.267396	2.86E+00	0.856

Malta	0.723937	0.679653	1.584248	3.20E+00	0.856
Qatar	2.325564	1.314184	0.552136	3.81E+00	0.856
Poland	0.957219	0.058493	1.397437	3.24E+00	0.855
Chile	0.736118	0.813965	1.025479	2.42E+00	0.847
Saudi Arabia	1.413922	1.945362	0.994723	3.25E+00	0.847
Slovakia	0.899112	0.284552	1.305086	3.03E+00	0.845
Portugal	0.635346	0.054955	1.867632	3.49E+00	0.843
United Arab Emirates	1.765648	0.970726	0.940683	3.64E+00	0.84
Hungary	0.805292	0.119468	1.522181	3.22E+00	0.836
Latvia	0.665951	0.148618	1.550518	3.08E+00	0.83
Argentina	0.548913	0.372857	0.55077	1.50E+00	0.827
Croatia	0.733446	0.118333	1.739851	3.44E+00	0.827
Montenegro	0.837564	0.359781	1.085708	2.64E+00	0.807
Romania	0.679239	0.096163	1.20129	2.60E+00	0.802
High Human Development					
Belarus	1.020428	0.394173	1.102064	2.90E+00	0.796
Oman	1.214317	2.004623	0.624458	2.47E+00	0.796
Barbados	0.749409	0.31926	1.433844	3.02E+00	0.795
Uruguay	1.207369	0.445621	1.104057	3.15E+00	0.795
Bulgaria	0.900962	0.04359	1.628686	3.50E+00	0.794
Kazakhstan	1.15539	1.541341	0.740435	2.56E+00	0.794
Bahamas	1.096346	0.806434	0.927554	2.75E+00	0.792
Malaysia	1.145349	0.30146	0.73744	2.54E+00	0.789
Palau	1.351727	1.684547	0.415529	2.35E+00	0.788
Panama	0.724441	0.2464	0.64577	1.87E+00	0.788
Antigua and Barbuda	0.839461	1.180588	0.924458	2.41E+00	0.786
Seychelles	1.274328	0.946774	1.055871	3.16E+00	0.782
Mauritius	0.683197	0.292879	1.084126	2.44E+00	0.781
Trinidad and Tobago	2.22779	1.045199	1.037963	4.38E+00	0.78
Costa Rica	0.621947	0.992549	0.964432	2.18E+00	0.776
Serbia	0.852233	0.043145	1.082626	2.66E+00	0.776
Cuba	1.04513	0.473823	1.487906	3.48E+00	0.775

Iran (Islamic Republic of)	1.01829	1.410678	0.532028	2.08E+00	0.774
Georgia	0.598828	0.326805	1.294019	2.63E+00	0.769
Turkey	0.831465	-0.00997	1.060546	2.60E+00	0.767
Venezuela (Bolivarian Republic of)	0.874591	1.784409	0.663599	2.08E+00	0.767
Sri Lanka	0.242933	0.311622	1.054037	1.82E+00	0.766
Saint Kitts and Nevis	0.949265	0.551169	0.415529	1.83E+00	0.765
Albania	0.429053	0.583411	1.298282	2.41E+00	0.764
Lebanon	0.765604	0.138854	0.980708	2.40E+00	0.763
Mexico	0.741276	0.279291	0.790423	2.09E+00	0.762
Azerbaijan	0.949469	2.138137	1.722884	3.69E+00	0.759
Brazil	0.534847	0.222547	0.984654	2.10E+00	0.754
Grenada	0.823074	0.273494	0.849458	2.28E+00	0.754
Bosnia and Herzegovina	0.838437	0.098423	1.574083	3.34E+00	0.75
The former Yugoslav Republic of Macedonia	0.819622	0.296586	1.503933	3.21E+00	0.748
Algeria	0.790469	1.298382	0.898578	2.31E+00	0.745
Armenia	0.595104	0.36079	1.226077	2.52E+00	0.743
Ukraine	0.853295	0.144955	1.115396	2.70E+00	0.743
Jordan	0.651673	0.183373	0.734351	1.90E+00	0.741
Peru	0.644613	0.498443	0.536568	1.60E+00	0.74
Thailand	0.833963	0.127625	1.072502	2.62E+00	0.74
Ecuador	0.756033	1.113964	0.50254	1.70E+00	0.739
China	1.062512	0.082353	1.21229	3.12E+00	0.738
Fiji	0.825632	0.478699	1.016534	2.53E+00	0.736
Mongolia	1.188949	1.00171	0.781499	2.66E+00	0.735
Saint Lucia	0.718148	0.596234	0.948565	2.29E+00	0.735
Jamaica	0.653049	0.827469	0.942502	2.19E+00	0.73
Colombia	0.593917	1.017709	0.850807	1.98E+00	0.727
Dominica	0.711392	0.726603	0.415529	1.52E+00	0.726
Suriname	0.992958	1.192095	0.799336	2.43E+00	0.725
Tunisia	0.986817	0.250129	0.810556	2.44E+00	0.725
Dominican Republic	1.241249	0.307	0.668181	2.57E+00	0.722

Saint Vincent and the Grenadines	0.957719	0.516674	0.943208	2.59E+00	0.722
Tonga	0.670423	0.52016	0.487735	1.57E+00	0.721
Libya	0.951913	1.896402	0.87708	2.48E+00	0.716
Belize	0.559067	0.316207	0.772256	1.83E+00	0.706
Samoa	0.902388	0.482139	0.836766	2.37E+00	0.704
Maldives	0.658929	1.402918	0.807527	2.01E+00	0.701
Uzbekistan	0.725569	0.720604	0.734279	1.99E+00	0.701
Medium Human Development					
Botswana	0.406036	1.62288	0.52605	1.27E+00	0.698
Gabon	0.574938	1.802667	0.656114	1.68E+00	0.697
Paraguay	0.108979	0.708735	0.588698	9.79E-01	0.693
Indonesia	0.434386	0.284995	0.764964	1.66E+00	0.689
Palestine, State of	0.553639	0.356648	0.589636	1.56E+00	0.684
Philippines	0.632872	0.432852	0.607023	1.69E+00	0.682
El Salvador	0.200683	0.384151	0.596797	1.11E+00	0.68
Kyrgyzstan	0.287426	0.342879	0.787441	1.50E+00	0.664
Guatemala	0.077896	0.305689	0.508195	8.26E-01	0.64
Namibia	0.344667	0.414737	0.620014	1.33E+00	0.64
Micronesia (Federated States of)	0.997535	0.836708	0.087885	1.42E+00	0.638
Tajikistan	0.145194	0.754901	0.663779	1.13E+00	0.627
Bhutan	0.535156	0.975025	0.762474	1.78E+00	0.607
Lao People's Democratic Republic	0.386877	0.727961	0.736436	1.55E+00	0.586
Bangladesh	0.311147	0.802767	0.678786	1.37E+00	0.579
Sao Tome and Principe	0.473462	1.195397	0.526285	1.36E+00	0.574
Cambodia	0.106857	0.616283	0.739252	1.19E+00	0.563
Nepal	-0.06761	0.350236	0.678178	8.79E-01	0.558
Myanmar	0.023721	0.606628	0.75035	1.10E+00	0.556
Kenya	-0.03267	0.350601	0.755092	1.03E+00	0.555
Pakistan	-0.02467	0.376147	0.714362	9.86E-01	0.55

Low Human Development

Swaziland	0.601506	0.54088	0.68378	1.76E+00	0.541
Cameroon	0.028282	0.982876	0.976906	1.43E+00	0.518
Papua New Guinea	0.524866	0.720638	0.177339	9.34E-01	0.516
Zimbabwe	-0.06682	0.593016	0.558626	7.08E-01	0.516
Solomon Islands	0.366112	1.880336	0.603029	1.33E+00	0.515
Mauritania	0.01532	1.33541	0.352281	5.17E-01	0.513
Madagascar	0.012552	0.556427	0.41959	6.13E-01	0.512
Rwanda	0.324769	0.963064	0.713239	1.44E+00	0.498
Comoros	0.128517	1.13408	0.584279	9.97E-01	0.497
Lesotho	0.682275	0.828882	0.689466	1.87E+00	0.497
Haiti	-0.14402	1.023247	0.793455	9.41E-01	0.493
Uganda	-0.41478	0.581437	0.481996	1.45E-01	0.493
Togo	-0.43968	0.48524	0.62386	3.15E-01	0.487
Benin	0.227535	0.546783	0.591629	1.14E+00	0.485
Yemen	0.576209	1.219099	0.582228	1.58E+00	0.482
Afghanistan	0.504922	0.62717	0.603786	1.52E+00	0.479
Malawi	-0.01218	1.158405	0.201089	2.66E-01	0.476
Côte d'Ivoire	0.162113	0.745311	0.746185	1.27E+00	0.474
Djibouti	0.304164	0.24602	0.902261	1.68E+00	0.473
Gambia	0.475047	0.739884	0.526178	1.37E+00	0.452
Ethiopia	-0.1888	0.795993	0.748778	8.19E-01	0.448
Mali	-0.25042	1.202972	0.315259	1.18E-01	0.442
Congo (Democratic Republic of the)	0.08469	1.52856	0.576647	9.27E-01	0.435
Liberia	-0.01117	1.603631	0.575127	8.00E-01	0.427
Eritrea	-0.02899	1.045598	0.546779	7.38E-01	0.42
Sierra Leone	0.143055	1.094668	0.548362	9.65E-01	0.42
Mozambique	0.052396	0.454477	0.632816	9.70E-01	0.418
South Sudan	0.514253	-0.02804	0.5816	1.50E+00	0.418
Burundi	-0.16867	0.992384	0.244643	1.25E-01	0.404
Burkina Faso	-0.07241	1.150613	0.137242	9.66E-02	0.402
Central African Republic	0.110792	0.654027	0.590261	9.84E-01	0.352

Other Countries or Territories

					Correlation Coefficient between Sus_Index and HDI is
Korea (Democratic People's Rep. of)	0.424519	0.66357	0.892315	1.82E+00	0.868
Marshall Islands	0.93842	1.51088	0.415529	1.81E+00	
Monaco	0.508597	-0.03031	0.415529	1.26E+00	
Nauru	0.666632	1.629928	0.415529	1.46E+00	
San Marino	0.508597	-0.02804	0.415529	1.26E+00	
Somalia	-0.16927	1.404331	0.560172	5.73E-01	
Tuvalu	0.663812	1.494251	0.415529	1.45E+00	

SUSTAINABLE DEVELOPMENT INDICATORS

Environmental Sustainability Indicators

Renewable energy consumption: Share of renewable energy in total final energy consumption. Renewable sources include hydroelectric, geothermal, solar, tides, wind, biomass and biofuels.

Carbon dioxide emissions per capita: Humanoriginated carbon dioxide emissions stemming from the burning of fossil fuels, gas flaring and the production of cement, divided by midyear population. Includes carbon dioxide emitted by forest biomass through the depletion of forest areas.

Forest area: Land spanning more than 0.5 hectare with trees taller than 5 metres and a canopy cover of more than 10 percent or trees able to reach these thresholds in situ. Excludes land predominantly under agricultural or urban land use, tree stands in agricultural production systems (for example, in fruit plantations and agroforestry systems) and trees in urban parks and gardens. Areas under reforestation that have not yet reached but are expected to reach a canopy cover of 10 percent and a tree height of 5 metres are included, as are temporarily unstocked areas resulting from human intervention or natural causes that are expected to regenerate.

Fresh water withdrawals: Total fresh water withdrawn, expressed as a percentage of total renewable water resources.

ECONOMIC SUSTAINABILITY INDICATORS

Natural resource depletion: Monetary expression of energy, mineral and forest depletion, expressed as a percentage of gross national income (GNI).

Adjusted net savings: Net national savings plus education expenditure and minus energy depletion, mineral depletion, net forest depletion, and carbon dioxide and particulate emissions damage. Net national savings are equal to gross national savings less the value of consumption of fixed capital.

External debt stock: Debt owed to non-residents repayable in foreign currency, goods or services, expressed as a percentage of gross national income (GNI).

Research and development expenditure: Current and capital expenditures (both public and private) on creative work undertaken systematically to increase knowledge, including knowledge of humanity, culture, and society, and the use of knowledge for new applications. Research and development covers basic research, applied research and experimental development.

Concentration index (exports): A measure of the degree of product concentration in exports from a country (also referred to as the Herfindahl- Hirschmann Index). A value closer to 0 indicates that a country's exports are more homogeneously distributed among a series of products (reflecting a well diversified economy); a value closer to 1 indicates that a country's exports are concentrated highly among a few products.

SOCIAL SUSTAINABILITY INDICATORS

Income quintile ratio, average annual change: Change in the ratio of the average income of the richest 20 percent of the population to the average income of the poorest 20 percent of the population over 2000–2014, divided by the respective number of years.

Gender Inequality Index, average annual change: Change in Gender Inequality Index value over 2005–2015, divided by the respective number of years.

Population in multidimensional poverty, average annual change: Change in the percentage of the population in multidimensional poverty over 2005–2014, divided by respective number of years.

Old-age dependency ratio: Projected ratio of the population ages 65 and older to the population ages 15–64, expressed as the number of dependants per 100 people of working age (ages 15–64).

Signifiers of Sensitization in the Context of Workforce Diversity - An Observation

Swati Basu*

ABSTRACT

While concentrating on the above mentioned sub-theme of the Conference, my present paper attempts an understanding of the role and relationship that exists between the workforce and the workflow and the reciprocal workflow system aiming to attain Organizational objectives en masse. It is pivotal not only in building mutual trust, respect, accountability, stimulating business ideas, weaving interpersonal skills to develop a mindset that can invariably intertwine global scenario. It is equally, if not more, crucial to develop work ethics, be a staunch believer in that and thrive for its execution and implementation in establishing reliability and validity of the vision and mission of an Organization. Through the mode of discussion and analytical approach, the paper takes into consideration some (2-3) of the factors of the multifarious workforce diversities and the specific factor of psychological gaps which is a dominant signifier in determining and developing the underlying beliefs and values of persistent work ethics while driving towards greater goals. To develop this conceptual analysis my present paper intends to find out the extent to which psychological reinforcing through managerial interventions could stimulate or fail to address varied workforce diversities as tools of performance indicators and mutual trust between Organization and its employees. The study foregrounds semi-urban and rural set ups at UG and PG levels of Engineering and Management Institutions in the context of West Bengal.

This interpretation and understanding indicates the need for:

- *Frequent self development programs to provide equal opportunities to all its employees to comprehend the deeper analysis of the concept of diversity under which we all perform.*
- *Self-awareness on the part of the workforce in terms of performance indicators and the subsequent self developmental workings required.*

Keywords: *Role and relationship, reciprocal, Organizational objectives, signifier, psychological gaps*

INTRODUCTION

In an era of 'global village', gender neutrality is the buzz word and is also an environmental aspect such that the genuine care of all the employees in equal terms that operate in an Organization would eventually become the main source of human capital that an Organization would actually need so as to sustain. These factors become the signifiers of gaining societal acceptance for operating in the society itself. Human capital is the

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workforce in the society, for the society's sustainable development (to grow) and by the society (to be operated through its instruments in the form of an Organization). If we look at the word 'Organization', the word itself is self-complacent because something which does not function in an organized way on long term interest of all its stakeholders and fails to recognize and reward success on equal terms how can it be termed an Organization?

Variety are the forms or signifiers of such discriminations... be it social , cultural , ethnicity, physical differences , personal preferences/prejudices, beliefs and values of an Organization , individual differences and potentials/skills and many more come under the purview of changing the composition of workforce, rather are sensitive factors to facilitate and/or retreat outcomes of diversity in a workplace.

Workforce diversity is multi-faceted. Discriminations can be between opposite genders (between male and female employees), or differences in treatment between same gender (between males or between females) and/or community differences. Highly sensitive are these. It affects one psychologically and can be detrimental to the growth of the person at the individual level or at Organizational level and at societal level at large.

DATA AND METHODOLOGY

The data of this study is principally primary. In addition, secondary data has also been gleaned. The secondary data has been collected from different sources such as the Journal Articles, Research Papers and Newspaper Articles. The primary data is based on observations, personal experiences and informal conversations with colleagues, peers on the basis of confidentiality of identity to estimate the factors that shape the attitude towards workplace. The main objective to put this paper over here is to find out the diversifying factors that generates 'dried voices' from being potent and self-motivated workforce in an Organization and to create palpable alertness how we could make it a better place to breathe freely and thus be self-gearred conducive to contribute in social welfare effectively.

LITERATURE REVIEW

Ongori Henry and Agolla J Evanas (June, 2007) in their article " Criticle review of literature on workforce diversity " have examined diversity management as "the systematic and planned commitment by the Organizations...promote a heterogeneous mix of employees." The researchers describe how diversities can actually improve organizational effectiveness. To understand the nature of the diverse workforce, the researchers focused on a deeper understanding of the history of diversity management. They have argued that a firm with a diverse workforce can claim of not being guilty of discrimination because of the prima facie based on their workforce demographics. Their research has further depicted the recent changes in the view of diversity and can be a competitive advantage in increasing creativity which would in turn lead to better Organizational performances. They by and large focused on increasing motivation, satisfaction and commitment of all its employees ('diverse people'). At the same time, performance standards should also be clearly communicated and established objectively without any bias. The researchers explored the outcomes of support system (through

formal and informal networks) across the hierarchical levels and full support of the top management of an Organization within a diverse workforce to expunge discriminations. However, they have also pointed out certain disadvantages of workforce diversity. Increase in conflicts, derogatory comments or extreme dissatisfaction resulting in failure to attain long term goals and productivity can be the darker side of mismanaged diversity according to Ongori and Agolla.

Omarkhanlen and Joshua (2011) have talked about the effects of workforce diversity on the effectiveness of an Organization in their article “THE IMPACT OF WORKFORCE DIVERSITY ON ORGANIZATIONAL EFFECTIVENESS : A STUDY OF A NIGERIAN BANK”. The researchers have taken a case study (a Nigerian bank) and through testing their two hypotheses have conceptualized positive as well as negative impacts of workforce diversity in the context of the Nigerian Bank in their research work. The researchers have measured the dependent and independent variables to reflect on employee efforts and productivity through the Published annual reports of the bank (in a given time period) and on the basis of the data collected from the respondents. With the help of the statistical data collected by the researchers , they argued that the bank has a relatively high productivity and their recruitment policies are in accordance to the recent trends as much as their ethnic diversities (hailing from all corners of the country) have been widely utilized and recognized. To add to this , female respondents constituted higher percentage of the respondents and were found largely prominent in the marketing function of the bank. The analysis of the data also reveals that the work oriented culture and growth oriented strategies in the workgroup contexts of the bank highly demonstrates the positive impact of workforce diversity on the Nigerian bank as studied. Thus, the researchers drives home the point that the second hypothesis is valid and tested true. The researchers have discussed significant correlations between some of the diversity variables with individual diversity variables to ‘produce positive performance outcomes’.

M Vinitha (April-June, 2015) , in the article “Trends in employment status of women in India” the researcher has voiced to analyze the scope and opportunities of education and employment of women in the post-independence era in sharp contrast to pre-independence era and expressed sincere thankfulness for increasing participation of women in the job market. However, the researcher has reported of women being employed more in the informal sector than public sectors in comparison to male. The paper also reported that the employment growth was significantly higher for urban females than for rural males, rural females and urban males which in a way is a positive sign for more women participation yet a mark of discrimination. The paper also discussed about female employment being associated ‘with low status and poor working conditions’. Inflexibility in working hours, occupational safety and health hazards , lack of training and education facilities are some of the predominant factors discussed by the researcher as unfavorable to win-win situation in terms of working conditions, with particular reference to women employees. While focusing on the recent trends in employment policies the researcher provided the importance of various schemes (for both BPL and APL categories) by the Ministry to raise the economic standards and plight of women in India.

SIGNIFIERS OF WORKFORCE DIVERSITY AND ANALYZING THEM

We all are aware and understand this simple concept.

A red signal in a traffic. What do we do looking at it ?

The answer is simple - We stop. Here , 'red' is the signifier(form that the sign takes) and 'stop' is the meaning derived from the signifier. It has both an implied and functional perspective.

Down the ages it has come to indicate the same meaning. We see a red light and we stop. Can it not carry some other meaning ? Have we asked ever? The answer will be this is the system. But, who created this meaning and how. If not red then blue or black will take its place. The system continues and we are churned into a system without questioning any of its ideas. Dare anybody question cuts a sorry figure of oneself.

There are many such signifiers which has a thing signified of its own be it in our home environment or work environment. The signified in its turn carries some other meaning of its own in a context. The present paper attempts to take a look into the environment where we work.

Let us begin with a common phrase we hear regularly 'working women'. Do we hear anyone saying "working men" rather Can we accept anyone saying that ? Perhaps, No. It is natural, because we are systematized with the concept that it is men who 'have to' take the responsibility of providing food and clothing to the family. We are conditioned to such flight of fancies when these titles are conferred on us. Is it not a natural phenomenon that a woman can work on her own rights of life and choice or are these not equally applicable to all genders? Do we all not deserve to prove our efficiencies or is it the prerogative of any particular section? This is a dominant signifier palpable in the context of workforce diversity. There are numerous signifiers with the concept of "working women". Talents are questioned, assigning important job responsibilities are doubted, association of pre-conceived notions with women and inequitable work environment and many such stimuli sensitizes the workflow. Until and unless the drive of inner stimuli is motivated the power output in the specified direction cannot be expected. A constant pressure of the mind searching for an equitable work environment pulls back.

Second , do we come across certain situations at our workplace where our (irrespective of gender bias) potentials and/or our progressive mind-set go unnoticed or ignored because of personal preferences across hierarchies ?

Third , do we meet up or maintain the standards of cultivating positive work cultured environment both as employees and as employers ? Are there strict and regular monitoring moves by the Management heads that all can enjoy the bliss of knowledge exploration and recognition of work done ?

Do we get a chance to freely discuss our dissatisfaction with the employers or their representatives? Are they being ignored or paid attention to ? Are there any such mentoring programs? Can we actually rely or approach to discuss our problems with the Heads/Managers (or, if any) Mentors ? If not, then why can we not work with a free vent of mind ?

It would not be wrong, perhaps, to label these as prominent diversity signifiers and their common signified being to stop working whole heartedly because there is no reward and recognition. These are the barriers to an Organization's effective productivity. Let us ask ourselves do we work with the same vigor and energy that with which we started day one. It has to be admitted that it is not possible to be satisfied hundred percent but the convergence of positive attitudes and behaviors of employees and employers can definitely lead us to internationalization of business transactions and a taste of multi-cultural and efficient management practices across boundaries. This will certainly be enriching and worth experiencing for all.

Of course, these cannot be achieved at one go. It is a process of changing ideas. No one can actually change our ideas until we are self-motivated to change our track of thought process. It also requires adequate trainings and learning from the experiences, keen observation power and alertness to the situation which in turn leads to better organizational performances and this is a continuous effort.

Every one of us is different concerning individual aspirations, individual talents, skills, culture, domain knowledge, philosophies of life, energy level, views and attitudinal styles, capacities, age, gender, personality traits, religion, ethnicity, satisfaction level, commitment initiative, group dynamics, communicative approachability, sense and sensibilities, family background both in terms of upbringing environment and family conditions, motivational standards and choice of parameters of being motivated, accountability, responsibility, intelligence and emotional quotient, individualistic task designs, community differences, financial condition, personal preferences, physical differences, demographic differences, type/s of experience, mission and vision. These are all diversity signifiers and they have several signifieds(meaning) and each signified(meaning) become another signifier(word construct) with its own array of signifieds(meanings).

Naturally, conflicts are also likely to be long listed and ever new. In such a wide spectrum of palpable diversities how can we behave similarly? It has to be realized all these diversities exist for every individual and an Organization is a composite whole of many such individuals. All these can be capitalized as strengths or weaknesses or as a neutral approach not to measure its efficiency. It depends upon the stand of the organization. The way these signifiers are constructed (or deconstructed) to business it will yield meaning (result) accordingly. Every organization is set up with its specific mission, vision and objectives. But, how can these be achieved without addressing/ignoring these diversities. There would be ever increasing gap between its objectives and outcomes. These are intricately woven into the making of an organization and its success (or failure) story. If the workforce is not driven by a common organizational goal we cannot neither expect personal growth nor sustainable development. To add to it, the complications are increasing at a never before scale in this era of tremendously advanced technology which is developing day in and day out.

While trying to identify the factors that sensitize positive vibrancies in a workplace the most crucial is psychological boosting. It has been rightly said that motivation incites interest which stimulates attention leading to achieving goal. Motivation is the key to

performance and competence. Stress, Depression is prominent psychological disorders these days arising from lack of motivation, workplace maladjustments and they are alarmingly increasing. Counseling followed by regular therapies, practice of yoga, meditation have become signposting languages to guide through these disorders. We now join laughing clubs to regain our lost treasure. Smart phones have occupied a separate rank among all its technology counterparts. Diversities are increasingly divergent with the advent of technology giving rise to tough competitions among proficient and incompetent. Everywhere and at every stage it is nothing but a competition. Our psyche is automated to competition ahead of all human values. Where are we heading to ? What is the objective of such competition and Where is the end point of competition ? Why are we competing at all ? The answers will be n-numbered. The main objective is satisfaction . But, again satisfaction has no limit and level.

How can these issues be addressed ? It has to be accepted that all issues cannot be sorted out because it is ever increasing and in newer ways and with newer dimensions. But, we can definitely minimize its negativity and make maximum use of its positive vibrancies in a realistic way.

INITIATIVES MEASURES TO PROSELYTIZE DIVERSITY

Now , the question that arises is whether these challenges (or barriers to growth) are analyzed by the organization ? It is extremely essential to analyze the root causes of resentment that induces retardation to growth. There exists a grievance cell in many organizations but are they monitored on a serious note ? A person may wish to leave an organization on medical issues or some other personal issues. But, lack of good work environment or growth issues are, perhaps, the most familiar ones. Let us take an example that we often meet in our workplace.

We often witness cross currents among our colleagues in petty issues while sometimes grave situations also occur. There are even unethical uses of diction. As colleague we often remain unmindful and least bothered considering that it has nothing to do with me. There exists a blame game on each other. We are losing fellow feeling and mutual respect.

Ways of dealing:

Possibility1: The concerned people perceive their improper behavior in a professional set up and take mutual recourse and dilute the case and are in good terms as before. The learning is realistically grounded because they realize that work environment demands conscientiousness..

Possibility2: Person A wrongly misbehaves with person B and the accused is embarrassed and is unable to tackle the situation and succumbs to the rule of the thumb (Person A may or may not be in a higher order in the hierarchy but may be an influential one). An instance of ruthless public humiliation excruciating embarrassment; A sign that the relationship is threatened.

Possibility3: Both the concerned people engage in a constant flow of abusive and degrading words and/or actions there from. A case of deteriorated feelings and behavior equated with contempt.

In such an immediacy of the situation , as co-workers where do we stand and as employers what would be their necessary measure/s ?

Initiative step1: **As co-workers** we can witness the situation with dumbness and thus aggravate the negativity around. The ego will be pampered here by remaining a passive witness to the situation but it will not only ruin the work environment but will also profligate humanity. It is true that we cannot tackle any and every situation but that which can be controlled should be.

Initiative step 2, we can take a small step to make them realize each other's communication gaps and reinstate a professional bonding through our wise submissions and/or experience. The courage and willingness to say right to right and wrong to wrong to tackle a worsening situation can in many cases minimize the growing number of conflicts. This little cooperation can work wonders. However, it is also important that the day's bearings do not handicap from being back to normalcy. That gives a professional touch even being humane.

Initiative measure1: **As employers,** the concerned authority/representative can sit with the people concerned (individually and/or face-to-face) and get things resolved through mutual discussion and counseling. Time to time counseling sessions and mentoring programs can lift up positivity in a sustained manner. Here, it is also to be borne in mind job allocations to deal with such situations should be based on competence and efficiency unless choices of opening up to the situation made by the employees is on personal request and justified on valid grounds.

Initiative measure2: things can be left like that and ignored to its consequences for future repetitions. Thus the seed of resentment is sown. One or two such repetitions will definitely impact on motivation towards work and behavior.

At a glance these are trivial issues but when ignored these trivial issues line up to a magnificent one. Today if this happens to A then tomorrow it may happen to B. Thus resentment becomes contagious and spreads even without our notice. The gradually fading sense of humanity can actually be revived. Based on our understanding of such situations we can initiate simple and friendly measures, yet formally, so that the message of equitable work environment of the organization is conveyed across the strata and is a continuum. If we reflect at our own situations we will find many such small yet significant messages, sincere and positive counseling from our employers or their representative heads which actually motivated us in many unbearable situations. It cast a charismatic influence on us in the form of a reward.

This is the reason why, these days, we are so bent to delve into the psychological workings of a child to analyze how the child can be persuaded to explore its critical thinking or creative skills and motivated to goal oriented learning right from childhood so that the future individual grows with action plans of personal development and in the process develops some unique features of its own and is shaped and modeled to meet the global standards.

Initiative measures are scanty in the domain of training programs and their mandatory assessments. Let it not be a dormant objective of Organizational goals. Training programs

in technology enabled learning, one's domain area, enhancing communication and technical skills, work life balance, stress management are prime areas that are in high need of professional trainings so as to be skilled and updated. Strict adherence to this also needs proper management else the objectives and output would never map. The developments can be assessed through performance and changes in behavior. It evaluates accountability to all the stakeholders that quality is being provided and development/changes that took place because of the training undertaken. Training in a multicultural set up (outside the organization) actually paves the way to adjust in a multicultural environment. It allows the space to think and rethink, compare the situations and evaluate one's stand in a given situation and construct other alternative solutions grounded on reality so faced. Training programs on work-life balance or trainings for top management to re-evaluate their roles in accordance to recent perspectives and relevant in global scenario is also a part of exclusive design of the management policies.

Communication in all its possible forms is another vital area that needs severe checks and survey for trainings. Communication is the lone medium of success or failure. Anything and everything is conveyed through language. *What* of language is mutually embedded in *how* of language. Initiative measures to scan through language-use are the need of the hour. That which we expect from others also binds us the same way to others. Language cannot be dissociated from social living and it operates on social structure. Hence, social context of using what and how of language is extremely crucial along with 'why' we are using it. 'How' we see is 'what' we see.

Initiative measures are undoubtedly a collaborative approach of all the stakeholders of an organization. But, it is the real work place that would matter first than the organization and its policies at large. The introductory phases of a new comer (may or may not be experienced) to an organization's existing culture gears to produce respective outcomes by the welcome, appreciation and recognition that is received. Once the lag is perceived the motivation towards work is also diluted gradually. Achieving organizational goal is a team work and not an individual's task alone or to say the prerogative of chosen few.

Initiative measures to work through exchange programs can promote the connecting links of diversity in a positive way. Through various organizational programs under the coordination of the different employees in changed roles and rotating order can be good instances to measure the interpersonal and intrapersonal skills. Constant analysis and research of newer possibilities and challenges must be the driving spirit of workflow in this globalized market for greater mobility.

LIMITATIONS

Diversity has manifold implications from an organizational perspective. The present paper restricts itself to diversities in the context of human resource.

The present study deals with the context of prevailing workforce diversities which involves the period from June,2007 to April-June,2015 and is also grounded on the informal conversations with co-workers within and other organizations, friends and personal observations which involves the period from 2012 to February 2018. Due to constraint of time the present study could not complete questionnaire survey and put pen to paper.

The present study do not cover the full range of diagnosis. A follow-up of the same is intended.

CONCLUSION

In this age of highly advanced technology huge diversities are automatically created by default in connection to the variables like age, gender, experience, income, IQ, EQ . They are correlated to employee productivity. But, the diversities can actually be utilized as a composite measure of creativity, intelligence, problem solving skills, individual potentials, cultural heritage that are inherited from past generations and maintained in the present and reserved for posterity. At the same time, these diversity benefits once instilled needs to be sustained and developed through future recruitment policies and performance standards. Multicultural workforce can also be a challenging work environment that will foster culture and strategies of group effectiveness from multitudinous perspectives. However, there are certain disadvantages of its implementation as well. Alone diversity management cannot guarantee tangible improvements but they can positively yield greater benefits in the process of achieving organizational goals. It is however obvious, as stated previously, that analysis of the workforce diversities that exist needs constant speculation so as to direct them to 'make inroads' to business outcomes. The adage "what gets measured gets attention" leverage performance effectively, if not completely.

Now , the choice is - Should it be an external force to extract work or an internal drive willing to work heading towards a common goal ? The question is let open to be pondered upon by the respected readers.

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Values and Ethics in Industry

Ashesava Mazumdar*

ABSTRACT

Purpose: *Ethics in industry: Industry and society interact with each other and are interdependent. Society requires industry/business system which provide manufacturing, distribution and consumption activities. The recent cases of scandals, frauds, and irregularities in various organizations have led to ethics in the workplace making a strong comeback. While business focus on profitability and success, it is imperative to train employees on being ethical. Training in ethics helps build a strong team and fosters professionalism amongst employees, thereby increasing productivity.*

Methods: *Investment (capital input), labour (input), supply(raw materials), production (industries, business organizations), marketing and distribution (transport) and consumption (public, customer) are the methods to develop work ethics in an organization. Transaction (and interaction) between these sub-systems involving people helps in the welfare of the society*

Findings:

- *Work ethics manifest in invisible employee behaviour, noticeable by its absence*
- *Every organization, irrespective of the industry, has certain guidelines which its employees must adhere to.*

Implications: *There could be 3 ways to train employees to be ethical in the professional realm:*

- *A Written Code of Conduct that aims at defining and writing a code of conduct to let employees know what is acceptable and what is not within the organization. Every employee – new or experienced – must be trained on adhering to the CoC.*
- *Ethics and Compliance Training Programs: Besides setting goals for the upcoming year, organizations should focus more on training employees on work place ethics. Such initiatives will stress the fact that employees must cultivate and adhere to the ethical code of the workplace.*
- *Our values associate emotions to our experiences and guide our choices, decisions and actions. A person's observations on its environment are filtered through his values to determine whether or not he should expend energy about his experiences. A person who values gold and sees a large bag of gold (a positive value) in his path as he walk, will be motivated to reach down and pick it up. A person who values his life and knows about venomous snake will retreat from the sound of a rattle snake (a negative value) from nearby when he is walking in the desert. Said in another way, "values are the scales we use to way our choices for our actions, whether to move towards or away from something".*

Keywords: *Industry, Society, Transaction, Welfare, Work Ethics, Values*

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INTRODUCTION

The paper has focus on the Fashion Industry. Clothes these days have become extremely cheap, trendy, and disposable. This has introduced a “use and throw”, where clothes are not meant to last but are meant to be bought used for a short period and being replaced with the next big trend. The cheaper quality of clothing and the large quantities produced have led to much cheaper clothes that can be bought in huge quantities.

The research on sustainable methods leading to sustainable practices of these clothing companies and the steps that can be taken to make clothing more sustainable and ethical in the production process of clothing, the disposal of clothing, and the role that globalization plays in the future of fashion becomes imminent. Interviews with employees have shown that there are various sustainable advances taking place within the garment industry in order to combat trendy fashion, but more needs to be done. Finally, this research will get into how companies can take more responsibility to negate the negative social and environmental consequences of trendy fashion.

Trendy Fashion

Today the widespread process of creating garments for mass consumption has led to concept of, “fast fashion.” Fast fashion is defined by its fast-turnover speed, high order fulfillment rates, cheap prices, and trendy items created for mass consumption.

- 1 Retailers now sell massive volumes of clothing for cheap prices to make a profit, rather than selling small amounts of high quality clothes.
- 2 Today popular brands hire manufacturers who in turn hire subcontractors to produce their products. This process moves the risk of unsafe workplaces and ethical treatment down the manufacturing chain to the low-paid workers.
- 3 By hiring subcontractors, companies are able to disassociate themselves from any human rights or environmental violations that often occur during production.
- 4 Companies need to implement more sustainable and ethical practices that are good for their employees and for the environment.
- 5 Design and marketing is what gives items symbolic value and in fast fashion designers profit from trends and take from luxury brands in order to appeal to the mass market
- 7 These markets tie producers, commodities, and consumers together and brands are used

Environmental Impacts of Fast/Trendy Fashion

There are many environmental consequences that come from fast fashion, both on the manufacturing and the consumption. The environment suffers from the production of fast fashion clothing due to pollution from the increased number of chemicals used in synthetic fibers and dyes.

Sustainability

There have been attempts to transform the garment production and supply system into

a sustainable supply chain management (SSCM). Turker and Altuntas looks at how various fast fashion companies have attempted to change their inefficient and unsustainable garment production system to a sustainable supply chain management system. These companies attempted to integrate aspects of SSM into the economy, environment, and society.

Social Effects of Fast Fashion

The social dynamics of fast fashion changed with changes in technology and the way in which consumers purchase goods. The cost is simply moved down the supply chain to the workers who suffer unsafe conditions and inhumane wages, and to the water sources and air that is being polluted from clothing factories.

Sustainable Practices of Companies

H&M has given seven commitments for sustainability:

1. Provide fashion for conscious customers
2. Choose and reward responsible partners
3. Be ethical
4. Be climate smart
5. Reduce, reuse, recycle
6. Use natural resources responsibly
7. Strengthen communities

Their sustainability report talks of fair living wages, industrial relations, anti-corruption, human rights management, diversity and equality, and so forth.

REFORMATION

Reformation is a small company created in 2009 that designs and manufactures most of their clothing in Los Angeles. They are a sustainable practice based company and keep detailed track of the amount of waste and pollution they reduce, and the amount of water and recyclable goods they create. Reformation states that they track the environmental costs of their goods through a scale called RefScale which calculates the amount of carbon dioxide emitted, gallons of water used, and pounds of waste created. This information is all put on their website so that consumers can have access to the environmental impact of their clothing.

Forever 21 has a basic webpage with written text that mostly goes over different charity programs that the company is involved in. The short section on environmental policy is largely about the functionality of their stores, for example it listed that their “new stores are using energy efficient lighting systems....”.

HOW DO BUSINESS ETHICS DIFFER FROM INDUSTRY TO INDUSTRY?

A moral and ethical belief that guides the values, behaviors and decisions of a business organization and the individuals within that organization is known as business ethics. Some ethical requirements for businesses are codified into law; environmental

regulations, the minimum wage, and restrictions against insider trading and collusion are all examples of the government setting forth minimum standards for business ethics. Beyond the general framework of the law, however, business ethics vary from company to company, with management philosophy playing a large role in determining the ethical tenets a business chooses to adopt. Business ethics also differ from industry to industry. For example, ethical concerns for energy companies frequently relate to their stewardship of the environment, while technology companies contend with ethical issues in the realm of security and privacy.

The nature of a business's operations has a major influence on the ethical issues. For example, an ethical quandary arises for an investment brokerage when the best decision for a client and his or her money does not coincide with what pays the brokerage the highest commission. A media company that produces TV content aimed at children may feel an ethical obligation to promote good values and eschew off-color material in its programming.

A striking example of industry-specific business ethics is in the **energy field**. Companies that produce energy, particularly non-renewable energy, face severe scrutiny on how they treat the environment. One misstep – forces a company to answer to numerous regulatory bodies and society at large regarding whether it skirted its duty to protect the environment in an aggressive pursuit of higher profits. A stringent, clearly defined system of environmental ethics is paramount for an energy company if it wants to thrive in a climate of increased regulations and public awareness on environmental issues.

Companies, such as Amazon and Google, that conduct most of their operations online are not scrutinized for their environmental impact the way energy companies are. When it comes to protecting their customers' privacy and security, however, their ethics are examined very closely.

A particular area in which technology companies must make tough ethical decisions is marketing. Advancements in data mining technology enable businesses to track their customers' movements online and then sell that data to marketing companies or use it to match customers with promoting advertisements. Thus, the ethical question arises: To what extent can they spy on customers' online lives?

Consumers feel that they are often unable to make an ethical choice. Therefore they do seem to need more information to allow them to make better ethical judgements and there is a role for ethical fashion companies to communicate this more effectively.

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Role of personality in shaping attitude towards Clean India Mission: A Case Study of Kolkata (India)

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ABSTRACT

Purpose: This paper aims to gauge association between personality of youth and their awareness and attitude towards green marketing with special emphasis on Clean India Mission (CIM). Key features, objectives of Green Marketing efforts along with various personality types which can be obtained from Myers Briggs theory are discussed. The statement of the paper is on the bases of ultimate motto of CIM i.e. the activities under Green Marketing are complementary to CIM.

At the heart of Myers Briggs theory are four preferences which are as follows:

- (1) People and things (Extraversion or "E"), or ideas and information (Introversion or "I").
- (2) Facts and reality (Sensing or "S"), or possibilities and potential (Intuition or "N").
- (3) Logic and truth (Thinking or "T"), or values and relationships (Feeling or "F").
- (4) A lifestyle that is well-structured (Judgment or "J"), or one that goes with the flow (Perception or "P").

Myers-Briggs theory, an adaptation of the theory of psychological types produced by Carl Gustav Jung, is based on 16 personality types like ISTJ, ISFJ, INFJ, INTJ, ISTP, ISFP, INFP, INTP, ESTP, ESFP, ENFP, ENTP, ESTJ, ESFJ, ENFJ, ENTJ, which Jung viewed as stereotypes. They act as useful reference points to understand one's unique personality. Swachh Bharat Abhiyan (SBA) (or Clean India Mission in English), launched on 2 October 2014 at Rajghat, New Delhi by Prime Minister Narendra Modi is a campaign in India that aims to clean up the streets, roads and infrastructure of India's cities, smaller towns, and rural areas. It is India's largest cleanliness drive to date with 3 million government employees, school students, and college students from all parts of India participating in 4,041 statutory cities, towns and associated rural areas. The mission contains two sub-missions: Swachh Bharat Abhiyan ("Gramin" or rural), which operates under the Ministry of Drinking Water and Sanitation; and Swachh Bharat Abhiyan (Urban), which operates under the Ministry of Housing and Urban Affairs.

The objectives of present study are to determine:

1. The various personality types of randomly selected youth of Salt Lake, Kolkata.
2. The level of attitude towards green marketing of randomly selected youth of Salt Lake.
3. If any significant relationship exists between personality and attitude towards green marketing of youth.

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Methods: A survey is conducted of 80 young girls and 80 young boys in the age group of 18 to 25 from Salt Lake, Kolkata(India) by using simple random sampling method. As the real backbone of India are the youth, the young members are chosen for an inquiry. The survey is with an objective to test the statement at conceptual level and hence kept it at indicative level and is not very exhaustive as it covers the concept of existence of complementary nature of Green Marketing and personality.

Therefore, to capture primary data, a questionnaire containing questions on demographics, personality and green marketing attitude is administered to them in order to check about awareness about SBA, awareness about Green Marketing and their agreement for complimentary role of Green Marketing for SBA. The suggestions from youth are sought to enhance the role of Green Marketing in India. Descriptive Statistics consisting of mean and standard deviation is done on demographic parameters and attitude towards green marketing. Inferential Statistics is carried out with the help of t-test, correlation and regression to establish association between personality and green marketing awareness of youth.

Findings: Results indicated the following points:

1. Youth of Salt Lake, Kolkata differ significantly with respect to their personality types.
2. Youth of Salt Lake, Kolkata mostly possess favourable attitude towards green marketing and Clean India Mission.
3. Significant positive association exists between personality and attitude towards green marketing of youth.

Implications: There is wider scope for Government and particularly Green Product Producers and Green Marketers to expedite the speed of SBA and assist in converting mission into movement where youth can contribute very meaningfully after identifying personality type of youth and then assigning responsibilities which suit their personality types.

Originality: This type of research work which aims to link personality with green marketing attitude is carried out for the first time globally.

Keywords: Clean India Mission, Green Marketing, Myers-Briggs theory, Personality.

INTRODUCTION

This paper aims to gauge association between personality of youth and their awareness and attitude towards green marketing with special emphasis on Clean India Mission(CIM) in Salt Lake area of Kolkata, India. The statement of the paper is on the bases of ultimate motto of CIM i.e. the activities under Green Marketing are complementary to CIM.

India does not top the charts when it comes to cleanliness, in fact, we as a country have many times on global stage faced flak for the lack of availability of proper sanitation facilities. Danny Boyle's 'Slumdog Millionaire', which went on to win the Oscars further highlighted the plight of our slums and brought the often pushed away (ignored) topic to the forefront. While we may like to say that these habits are ingrained in our psyche and have been learnt from our parents, not everything that we learn is right! With the idea to create and promote awareness regarding the need for better sanitation facilities and clean India, Prime Minister Narendra Modi picked a broom to sweep a road in New

Delhi and launched the Swachh Bharat Abhiyan, or Clean India Mission on October 2, 2014. Swachh Bharat Mission is not just another government programme rather it is a huge public movement. In the past 4 years, there has been participation from sarpanches to self help groups to women in aanganwadis who have started the public movement. Schools, colleges, individuals, brands, production houses have also taken up the cause to contribute in building awareness around a clean India. Improving the quality of our indoor and outdoor environment is something we take very seriously, so we are cleaning our environment thus having a significant impact on human and environmental health, learning outcomes, and productivity.

This paper is one of the first type which might be able to get some association between various personality types in Indians and type of attitude they have for Clean India Mission(CIM).

LITERATURE REVIEW

Myers-Briggs Type Indicator(MBTI) Assessment:

At the heart of Myers Briggs theory are four preferences which are as follows:

- (1) People and things (Extraversion or “E”), or ideas and information (Introversion or “I”).
- (2) Facts and reality (Sensing or “S”), or possibilities and potential (Intuition or “N”).
- (3) Logic and truth (Thinking or “T”), or values and relationships (Feeling or “F”).
- (4) A lifestyle that is well-structured (Judgment or “J”), or one that goes with the flow (Perception or “P”).

These indicators can be permuted into 16 combinations which is the final result that one will get from taking the test.

Myers-Briggs theory, an adaptation of the theory of psychological types produced by Carl Gustav Jung, is based on 16 personality types like ISTJ, ISFJ, INFJ, INTJ, ISTP, ISFP, INFP, INTP, ESTP, ESFP, ENFP, ENTP, ESTJ, ESFJ, ENFJ, ENTJ, which Jung viewed as stereotypes. They act as useful reference points to understand one’s unique personality.

Extraversion (E) – (I) Introversion:

This dichotomy describes the amount of “extroversion” in a person. If a person gets an E, he is an extrovert, otherwise he’s an introvert. However, do note that this does not mean that a person is a definite extrovert or introvert. As dichotomies exist on a “fluid” scale, there is no discrete distinction between the two. A person can be a borderline extrovert; he feels easy to be extrovert in some situation and feels easy to be introvert in other situations. In addition, an introverted person does not mean he is not popular. He can be popular but he puts more effort to be around people. Thus, being alone is considered a form of “rest” to him. Vice versa for an extrovert.

Sensing (S) – (N) Intuition | Thinking (T) – (F) Feeling:

S/N relates to the perceiving function of the person while T/F relates to the thinking

function of the person. The perceiving function relates to how one gathers their information. Thus, a sensing individual relies on the concrete and tangible evidence (what they can perceive with their five senses) to collect information while an intuitive individual relies on abstract patterns and theories to construct their information; they tend to look at underlying reasons of why things happen rather than focus on the thing itself. The thinking function relates to the decision making process of the person. A thinking individual makes decisions based on his rational reasons while a Feeling person makes decisions based on his empathy towards the situation. It is important to emphasize that the rationality and empathy of the person is not absolute. Thus a thinking person may not always be making a right situation as his rationality may be wrongly constructed and the empathy of the person may not be what others might wanted.

Judging (J) – (P) Perception:

J/P relates to how an individual relates to the world. Thus, this dichotomy is closely related to the decision making attributes and extraversion of the person. Since it is requires deeper analysis, I would suggest readers to read it in depth here.

Functions:

The MBTI structure consists of 4 functions, preferences which the person have:

- Dominant - The most preferred way of a person
- Auxiliary - The second most preferred way; it counter balances the first function
- Tertiary - The third preference
- Inferior - The fourth preference

Depending on the Extraversion dichotomy, the function which an individual will portray to world will differ. An (E) Extroverted type person will portray his dominant function while an (I) Introverted type person will portray his auxiliary function. This is because an Introverted type person will usually use his dominant function internally and not show it to others.

Unique features of each personality type :

INFJ- Heart

INFJs have a unique soul that is deeply capable of compassion and understanding. They have a strong desire to make a difference in the world, which seems to be a sometimes rare quality in this world. They are capable of possessing immense amounts of warmth and love towards even the most misunderstood people. They strive to see the good in others, and often believe that everyone is capable of bettering themselves. They are often guarded but that is only because they care so very deeply. For those people who are let into their heart, they are able to see something very special and unique. Very few people are equipped with the level of compassion and love that the INFJ are.

ENFJ- Empathy

ENFJs have a rare ability to put themselves in other people's shoes. They are capable

of feeling deep and powerful empathy towards others. This makes them very capable of consoling people and making them feel completely understood. Even if they haven't experienced what another person has, they still have the ability to feel their pain very strongly. This often makes them see the best in others and can even empathize with the most misunderstood individuals. They make wonderful therapists, and have a way of making people feel at ease in their presence.

INFP- Dreamy Nature

INFPs have an extremely unique inner world and a deep sense of imagination. Their dreamy nature is something that often draws people towards them. INFPs have a way of seeing the best in others and have a strong sense of compassion. Their ability to dream and live inside of their own minds, is something that many of us admire deeply. Their inner world is rich and fulfilling. Not everyone has the ability to feel so very deeply like the INFP. There is something whimsical about the INFP, and that rare essence is something that we adore.

ENFP- Passion

ENFPs are very passionate individuals, and that is not a quality that everyone possesses. There is something so beautiful about their ability to stay positive and strive to inspire others. ENFPs feel very deeply and work to make strong connections with people. They have a way of bringing out the passion in others, and always strive to see the best in them. ENFPs love to explore new possibilities and have a way of seeing the world that is very unique. Others are often drawn to their passionate nature and zest for life, and are rarely disappointed by this.

INTJ- Understanding

INTJs have a knack for understanding anything they set their mind to. They work hard to see every angle of a situation and strive for deeper understanding. If they are willing the INTJ is very capable of helping others understand a problem in their lives that needs fixing. When people are incapable of stepping outside of their own minds to view something objectively, the INTJ is very skilled at doing that for them. INTJs are capable of learning about things with an objective and understanding mind. They are intelligent and open-minded individuals and that is a rare quality.

ENTJ- Strength

ENTJs have an ability to overcome almost anything. Their strength and sheer willpower is a very unique and admirable quality. They can take just about any problem that is thrown at them, and push through it eagerly. They rarely fall apart in the face of struggle and are capable of making it through. This ability stretches out to their team members and loved ones, and they will often be able to stay strong for those around them. Many people crumble in the face of strife, but the ENTJ is often more than willing to remain strong and composed.

INTP- Inner Mind

INTPs have a captivation and active inner mind. They are constantly working out a million situations inside their minds, and love exploring new possibilities. There is

something very unique about the way in which the INTP thinks. Attempting to explore their inner mind is like watching a million gears turning at once. It is an explosion of thoughts and potential, that makes us drawn towards them. They have a very intense way of seeing the world that is very rare and sometimes misunderstood. Their rich and intelligent inner mind, is something that few people in the world truly possess.

ENTP- Potency

ENTPs are very dynamic and intense individuals. Their ability to make a strong impression on others is a very unique quality. They are eager and strong-willed people, who will not back down from a challenge. They push through their fears and actually thrive on exciting and new possibilities. ENTPs have a unique ability to influence others without them even knowing that it is happening. They often use their potent personality to direct situations the way that they want to. The ENTP has a way of intriguing others that is extremely rare and special.

ISTJ-Loyalty

ISTJs are very dependable and loyal individuals. Their ability to be the person who you can always depend on is something that is very rare in this world. They dislike the feeling of letting others down, and strive to be someone that others can trust. They stay very loyal to the people around them, and will always fulfill their duty to be dependable. We admire their knack for getting things done and will always trust the ISTJ to be dedicated.

ESTJ- Willpower

ESTJs have an ability to withstand hardship. If they feel as though there is something that they need to get done, they will push through to achieve their goal. When the ESTJ sets their mind to something, there is very little that can stand in their way. There is something extremely unique about the way the ESTJ can use their strength and determination to achieve just about anything. They push through things that many people would be too scared to face.

ISFJ- Warmth

ISFJs are extremely compassionate and warm individuals, and it is something to be admired. In an often cold and selfish world, the ISFJs warmth is a very rare quality. They do whatever they can do make others around them feel loved and happy. They hate to see others hurting and feel very sad when they are around uncaring individuals. They want everyone to treat people with kindness and understanding. They strive to be kind and considerate, even if others fail to do so. The world would be a better place if everyone shared that behaviour towards each other.

ESFJ- Devotion

ESFJs possess a very strong sense of devotion towards those that they love. They will overcome many hardships and personal desires, to make their loved ones happy and cared for. They will devote themselves completely to others needs and that caring is completely unfaltering. They are willing to make sacrifices and often do not put their own needs first. They will be unbelievably loyal and devoted and will fight for others at

any cost. ESFJs have a unique ability to be very resolved and passionate when it comes to the needs of others.

ISTP- Cool Attitude

ISTPs have a very uniquely laid-back personality, that most everyone is drawn to. They are often very well-liked because of their cool exterior. ISTPs have natural ability to figure out problems, and often do it in a very relaxed manner. We admire their calm and likable personalities, and enjoy being around that relaxed demeanor.

ESTP- Excitement

ESTPs have a very unique excitement and thirst for life. They want to be constantly thrilled and enjoy exploring all that life has to offer. They dislike staying still for too long and want everything to be fun and enjoyable in life. In a world where so many people become apathetic and idle, there is something so refreshing about the exhilarating nature of the ESTP.

ISFP- Creativity

ISFPs have a very unique sense of creativity and passion. They are often very artistic and have a way of appreciating the little things in life. Their warm and introspective personalities are very intriguing and often make people want to be close to them. Most everyone who meets an ISFP cannot help but like them. Their unique and lovable personalities have a very wistful and dreamy sense to them.

ESFP- Entertaining Ability

ESTPs are outgoing and fun-loving individuals. They have a way of constantly entertaining others and have a unique ability to make just about any experience a fun one. They know just how to make others have fun and come out of their shells. We admire and cherish the ESFPs ability to truly enjoy life and see just how much beauty that the world has to offer.

S.No.	Personality Group	Personality Type	Description of personality type
1	Analysts	“ARCHITECT” INTJ (-A/-T)	Imaginative and strategic thinkers, with a plan for everything
2		“LOGICIAN” INTP (-A/-T)	Innovative inventors with an unquenchable thirst for knowledge
3		“COMMANDER” ENTJ (-A/-T)	Bold, imaginative and strong-willed leaders, always finding a way – or making one
4		“DEBATER” ENTP (-A/-T)	Smart and curious thinkers who cannot resist an intellectual challenge

5	Diplomats	“ADVOCATE” INFJ (-A/-T)	Quiet and mystical, yet very inspiring and tireless idealists
6		“MEDIATOR” INFP (-A/-T)	Poetic, kind and altruistic people, always eager to help a good cause
7		“PROTAGONIST” ENFJ (-A/-T)	Charismatic and inspiring leaders, able to mesmerize their listeners
8		“CAMPAIGNER” ENFP (-A/-T)	Enthusiastic, creative and sociable free spirits, who can always find a reason to smile
9	Sentinels	“LOGISTICIAN” ISTJ (-A/-T)	Practical and fact-minded individuals, whose reliability cannot be doubted.
10		“DEFENDER” ISFJ (-A/-T)	Very dedicated and warm protectors, always ready to defend their loved ones
11		“EXECUTIVE” ESTJ (-A/-T)	Excellent administrators, unsurpassed at managing things – or people
12		“CONSUL” ESFJ (-A/-T)	Extraordinarily caring, social and popular people, always eager to help
13	Explorers	“VIRTUOSO” ISTP (-A/-T)	Bold and practical experimenters, masters of all kinds of tools.
14		“ADVENTURER” ISFP (-A/-T)	Flexible and charming artists, always ready to explore and experience something new.
15		“ENTREPRENEUR” ESTP (-A/-T)	Smart, energetic and very perceptive people, who truly enjoy living on the edge
16		“ENTERTAINER” ESFP (-A/-T)	Spontaneous, energetic and enthusiastic people – life is never boring around them

Table: **Summary of description of each type of personality according to MBTI:**

SWACHH BHARAT ABHIYAN (SBA) (OR SWACHH BHARAT MISSION (SBM) OR CLEAN INDIA MISSION(CIM)

It is a campaign in India that aims to clean up the streets, roads and infrastructure of India’s cities, smaller towns, and rural areas. The objectives of Swachh Bharat include eliminating open defecation through the construction of household-owned and community-owned toilets and establishing an accountable mechanism of monitoring toilet use. Run by the Government of India, the mission aims to achieve an Open-Defecation Free (ODF) India by 2 October 2019, the 150th anniversary of the birth of Mahatma Gandhi, by constructing 90 million toilets in rural India at a projected cost of Rs 1.96 lakh crore (US\$30 billion). The mission will also contribute to India reaching Sustainable Development Goal Number 6 which is as follows:

- By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- By 2030, implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate
- By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
- By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies
- Support and strengthen the participation of local communities in improving water and sanitation management

The campaign was officially launched on 2 October 2014 at Rajghat, New Delhi by Prime Minister Narendra Modi. It is India's largest cleanliness drive to date with 3 million government employees, school students, and college students from all parts of India participating in 4,041 statutory cities, towns and associated rural areas.

The mission contains two sub-missions: Swachh Bharat Abhiyan ("Gramin" or rural), which operates under the Ministry of Drinking Water and Sanitation; and Swachh Bharat Abhiyan (Urban), which operates under the Ministry of Housing and Urban Affairs.

OBJECTIVES

The objectives of present study are to determine:

1. The various personality types of randomly selected youth of Salt Lake, Kolkata.
2. The level of attitude towards green marketing of randomly selected youth of Salt Lake.
3. If any significant relationship exists between personality and attitude towards green marketing of youth.

4. METHOD

4.1. Participants : Participants include 80 young girls and 80 young boys in the age group of 18 to 25 from Salt Lake, Kolkata (India).

4.2. Instruments

Keeping in mind the objectives of the study, following instruments were used:

- Information regarding percentage distribution of various personality types in India
- 5-point Likert scale ranging from 1 to 5 where 1, 2, 3, 4, 5 refer to very bad, bad, moderate, good and very good responses respectively
- *Short form of Myers-Briggs Type Indicator(MBTI) Test*: It consists of 20 yes-no type questions. Questions 1,5,9,13,17 refer to Extraversion-Introversion, questions 2,6,10,14,18 refer to Sensing-Intuition, questions 3,7,11,15,19 refer to Thinking-Feeling and finally questions 4,8,12,16,20 refer to Judging-Perceiving.

PROCEDURE

The study is based on primary and secondary data. Primary data were collected using non-probability type convenience sampling technique from youth of Salt Lake area with the help of questionnaire consisting of two sections- the first section is related to personality and second section is for capturing responses on attitude towards cleanliness drive in India.

RESULTS

The means and standard deviations (SDs) of scores for main variables of study were calculated and presented in Table 1.

Descriptive Statistics

	Mean	Std. Deviation	N
Cleanliness_Response	3.00	.801	160
Gender	1.50	.502	160
Personality	7.49	5.295	160

Table1

Correlations between Cleanliness_response, Gender and Personality is shown in Table 2:

Correlations			
	Cleanliness_Response	Gender	Personality
Pearson Correlation	Cleanliness_Response	1.000	-.111
	Gender	.047	1.000
	Personality	-.111	.026

Table2

Analysis of Variance techniques is adopted with personality and gender as independent variables and cleanliness response as dependent variable and the result is shown below in Table 3:

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.516	2	.758	1.184	.309 ^a
	Residual	100.484	157	.640		
	Total	102.000	159			
a. Predictors: (Constant), Personality, Gender						
b. Dependent Variable: Cleanliness_Response						
Regression techniques is adopted with independent variables personality and gender and dependent variable cleanliness response and the result is shown in Table 4:						

Table 3
Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.008	.217		13.846	.000
	Gender	.080	.127	.050	.630	.530
	Personality	-.017	.012	-.113	-1.420	.158
a. Dependent Variable: Cleanliness_Response						

Table 4

Cross tabulation is performed against cleanliness response and gender and the result is shown below in Table 5:

Crosstab

		Gender		Total
		Male	Female	
	Count	6	1	7
	% within			
Very Bad	Cleanliness_Response	85.7%	14.3%	100.0%
	% within Gender	7.5%	1.2%	4.4%
	% of Total	3.8%	.6%	4.4%

Cleanliness_ Response	Bad	Count	11	15	26
		% within			
		Cleanliness_Response	42.3%	57.7%	100.0%
	Neither good nor bad	% within Gender	13.8%	18.8%	16.2%
		% of Total	6.9%	9.4%	16.2%
		Count	46	45	91
	Good	% within			
		Cleanliness_Response	50.5%	49.5%	100.0%
		% within Gender	57.5%	56.2%	56.9%
	Very Good	% of Total	28.8%	28.1%	56.9%
		Count	14	18	32
		% within			
Total	Good	Cleanliness_Response	43.8%	56.2%	100.0%
	% within Gender	17.5%	22.5%	20.0%	
	% of Total	8.8%	11.2%	20.0%	
Total	Very Good	Count	3	1	4
		% within			
		Cleanliness_Response	75.0%	25.0%	100.0%
Total	Total	% within Gender	3.8%	1.2%	2.5%
		% of Total	1.9%	.6%	2.5%
		Count	80	80	160
Total	Total	% within			
		Cleanliness_Response	50.0%	50.0%	100.0%
		% within Gender	100.0%	100.0%	100.0%
Total	Total	% of Total	50.0%	50.0%	100.0%

Table5

Table 6 shows the percentage distribution of personality types of overall Indians.

Rank	Type	Percentage	Cumulative Percentage
1	Turbulent Mediator (INFP-T)	10.67%	10.67%
2	Turbulent Campaigner (ENFP-T)	19.73%	9.06%
3	Assertive Consul (ESFJ-A)	25.36%	5.63%

4	Turbulent Advocate (INFJ-T)	30.09%	4.73%
5	Assertive Campaigner (ENFP-A)	34.58%	4.49%
6	Turbulent Logician (INTP-T)	38.83%	4.25%
7	Turbulent Protagonist (ENFJ-T)	43.06%	4.23%
8	Turbulent Consul (ESFJ-T)	46.96%	3.90%
9	Turbulent Entertainer (ESFP-T)	50.76%	3.80%
10	Turbulent Adventurer (ISFP-T)	54.55%	3.79%
11	Assertive Protagonist (ENFJ-A)	57.93%	3.38%
12	Turbulent Defender (ISFJ-T)	61.29%	3.36%
13	Assertive Executive (ESTJ-A)	64.43%	3.14%
14	Turbulent Debater (ENTP-T)	67.51%	3.08%
15	Assertive Entertainer (ESFP-A)	70.51%	3.00%
16	Assertive Mediator (INFP-A)	73.28%	2.77%
17	Assertive Debater (ENTP-A)	75.64%	2.36%
18	Assertive Logician (INTP-A)	77.86%	2.22%
19	Assertive Defender (ISFJ-A)	79.88%	2.02%
20	Turbulent Architect (INTJ-T)	81.88%	2.00%
21	Assertive Commander (ENTJ-A)	83.64%	1.76%
22	Turbulent Executive (ESTJ-T)	85.34%	1.70%
23	Assertive Adventurer (ISFP-A)	86.98%	1.64%
24	Assertive Advocate (INFJ-A)	88.60%	1.62%
25	Assertive Entrepreneur (ESTP-A)	90.18%	1.58%
26	Turbulent Entrepreneur (ESTP-T)	91.73%	1.55%
27	Turbulent Commander (ENTJ-T)	93.27%	1.54%
28	Assertive Architect (INTJ-A)	94.75%	1.48%
29	Turbulent Logistician (ISTJ-T)	96.23%	1.48%
30	Turbulent Virtuoso (ISTP-T)	97.69%	1.46%
31	Assertive Logistician (ISTJ-A)	99.02%	1.33%
32	Assertive Virtuoso (ISTP-A)	99.99%	0.97%
	TOTAL		100%

Table 7 shows the percentage distribution of personality types of overall Indians in the order from most abundant to least abundant.

Rank	Type	Percentage	Group Percentage	Cumulative Percentage
1	Turbulent Campaigner (ENFP-T)	9.06%	13.55%	13.55%
	Assertive Campaigner (ENFP-A)	4.49%		
2	Turbulent Mediator (INFP-T)	10.67%	13.44%	26.99%
	Assertive Mediator (INFP-A)	2.77%		
3	Assertive Consul (ESFJ-A)	5.63%	9.53%	36.52%
	Turbulent Consul (ESFJ-T)	3.90%		
4	Turbulent Protagonist (ENFJ-T)	4.23%	7.61%	44.13%
	Assertive Protagonist (ENFJ-A)	3.38%		
5	Turbulent Entertainer (ESFP-T)	3.80%	6.80%	50.93%
	Assertive Entertainer (ESFP-A)	3.00%		
6	Turbulent Logician (INTP-T)	4.25%	6.47%	57.40%
	Assertive Logician (INTP-A)	2.22%		
7	Turbulent Advocate (INFJ-T)	4.73%	6.35%	63.75%
	Assertive Advocate (INFJ-A)	1.62%		
8	Turbulent Debater (ENTP-T)	3.08%	5.44%	69.19%
	Assertive Debater (ENTP-A)	2.36%		
9	Turbulent Adventurer (ISFP-T)	3.79%	5.43%	74.62%
	Assertive Adventurer (ISFP-A)	1.64%		
10	Turbulent Defender (ISFJ-T)	3.36%	5.38%	80.00%
	Assertive Defender (ISFJ-A)	2.02%		
11	Assertive Executive (ESTJ-A)	3.14%	4.84%	84.84%
	Turbulent Executive (ESTJ-T)	1.70%		
12	Turbulent Architect (INTJ-T)	2.00%	3.48%	88.32%
	Assertive Architect (INTJ-A)	1.48%		
13	Assertive Commander (ENTJ-A)	1.76%	3.30%	91.62%
	Turbulent Commander (ENTJ-T)	1.54%		
14	Assertive Entrepreneur (ESTP-A)	1.58%	3.13%	94.75%
	Turbulent Entrepreneur (ESTP-T)	1.55%		
15	Turbulent Logistician (ISTJ-T)	1.48%	2.81%	97.56%
	Assertive Logistician (ISTJ-A)	1.33%		
16	Turbulent Virtuoso (ISTP-T)	1.46%	2.43%	99.99%
	Assertive Virtuoso (ISTP-A)	0.97%		

Table 7

Table 8 shows the percentage distribution of personality types of the sample of 160 respondents.

Rank	Type Percentage	Group Percentage	Cumulative
1	ISFJ	21.88%	21.88%
2	ESFJ	14.38%	36.25%
3	ESTJ	11.88%	48.13%
4	ISTJ	10.63%	58.75%
5	ISFP	8.13%	66.88%
6	ENTJ	5.63%	72.50%
7	ISTP	5.00%	77.50%
8	ESFP	5.00%	82.50%
9	INFJ	3.75%	86.25%
10	INFP	3.13%	89.38%
11	INTJ	2.50%	91.88%
12	ESTP	2.50%	94.38%
13	INTP	1.88%	96.25%
14	ENTP	1.88%	98.13%
15	ENFJ	1.25%	99.38%
16	ENFP	0.63%	100.00%

Table8

DISCUSSION

Results indicated the following points:

1. Youth of Salt Lake, Kolkata differ significantly with respect to their personality types.
2. Youth of Salt Lake, Kolkata mostly possess favourable attitude towards green marketing and Clean India Mission.
3. Significant positive association exists between personality and attitude towards green marketing of youth.

LIMITATIONS

The main limitation of the study is the sample selection. It is confined to 160 young persons (80 boys and 80 girls) only selected randomly according to convenience from Salt Lake, Kolkata. The credibility of the results will be enhanced by increasing the sample size covering youth of various demographic profiles in different parts of the country and following probability techniques of sampling like simple random sampling with/without replacement instead of convenience sampling. The second limitation is

that the findings are based on the responses to the questionnaire which may be different from actual behaviour. The third limitation is that the study only considers youth. Comparative study including youth, middle-aged and old people may be useful. Last but not the least, present study is a cross-sectional in nature. Longitudinal study may provide different insight.

IMPLICATIONS

Despite having limitations, the study has some significant implications :

- a. There is wider scope for Government and particularly Green Product Producers and Green Marketers to expedite the speed of SBA and assist in converting mission into movement where youth can contribute very meaningfully after identifying personality type of youth and then assigning responsibilities which suit their personality types.
- b. The study implies that personality type of youth can have some impact on attitude towards Clean India Mission.
- c. The study also gives an indication that gender of youth can have influence on attitude towards Clean India Mission.
- d. Youth of India can spearhead CIM and can influence others in this noble mission.

CONCLUSION

To enhance the image of India in front of entire world, it is imperative to improve harmony, peace, fellow-feelings in our country along with improving greenery as well as keeping our country clean. This study was undertaken to examine the relationship between personality of youth and attitude towards Clean India Campaign. Despite of various limitations, this study can be considered as one of pioneering approach undertaken probably first time as per the knowledge of the research. There is lot of scope for future research in which one can find other types of interrelationship between attitude towards green marketing, cleanliness drive and various demographic, economic, psychographic, geographic, ethno-centric and other parameters.

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Motivational Factors affecting teachers' Performances in Private Engineering Colleges- A Case Study of Two Engineering Colleges in Howrah

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ABSTRACT

"The mediocre teacher tells. The good teacher explains. The superior teacher demonstrates. The great teacher inspires." (William Ward)

It has been seen that motivational factors both, intrinsic and extrinsic has great effect on the performance of a teacher which in turn affects the teaching learning process. Through various studies it has been seen that if a teacher is motivated he/she can influence the student's learning and raise the academic standards of the educational institution. Various intrinsic forms of motivation such as training, career growth, sending teachers for Faculty Development programmes or Refresher courses, giving teachers a free hand on using their own techniques in delivering learning and granting leave to pursue higher studies have yielded positive results. Extrinsic rewards like regular increment, promotion and rewarding teachers makes teachers feel motivated and in turn they motivate students. This paper studies how both the intrinsic and extrinsic motivators play a major role in job satisfaction. A study of 120 teachers of two private engineering colleges around Howrah was undertaken to arrive at a conclusion and provide suggestions.

Purpose: *The purpose of the study was to analyze the various motivational factors affecting the teachers' performances and how the quality of the teaching learning process is enhanced with positive motivation.*

Methods: *An in-depth interview methodology was adopted. A qualitative survey was carried out whereby 120 teachers of 2 private Engineering colleges located in the fringes of Kolkata were interviewed. Through Questionnaires the various intrinsic and extrinsic motivation factors affecting the teaching learning process was investigated.*

Findings: *It was found that most of the teachers were motivated by intrinsic factors like granting leave to pursue higher education, attending refresher courses, allowance for attending faculty development programmes, leave allowances and other factors motivated the teachers and very few respondents wanted pay hike and allowances as motivators.*

Implications: *Though this study is not comprehensive it has been seen that if private engineering college teachers were highly motivated and if job stability was guaranteed then the quality of the teaching- learning process is enhanced.*

Keywords: *Motivation, Intrinsic, Extrinsic Rewards, Performance, Job Satisfaction*

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OVERVIEW

The recent trends have shown that every year, students who have passed the West Bengal Joint Examinations for Engineering, all of them are given a rank and they are able to get admission in any of the B.Tech courses in private engineering colleges. When questioned, it was found that many of them had taken admission due to parental pressure or were not interested to join the general courses and thought this was the best way to get a job through On Campus placement.

Hence teachers of Engineering colleges are faced with a set of students who are a disinterested lot. Consequently the onus is fully on the teachers to keep them motivated, to maintain a positive teaching learning environment and to see them pass in all the subjects without any backlogs. For all this to be positively impacted, teachers have to be motivated and should have job satisfaction in order to get positive results by transferring their motivation to students. However, it has been seen that due to the mushrooming of private engineering colleges, no standards are maintained as regards the teaching learning process, nor are there any structured administrative policies followed by the private colleges. Since the availability of teachers is more, the attrition rate is also high and no efforts are made by the colleges to retain quality teachers. Teachers have no job satisfaction due to many hindering factors.

The main purpose of this study was to determine the factors affecting teacher motivation in private engineering colleges in West Bengal. The study was undertaken of about 120 teachers from two engineering colleges which are in close proximity in Howrah. and observation was done using a qualitative interviewing method and questionnaire method. The teachers were also asked to do journal writing noting down their feelings as to what motivated them. The respondents were both male and female, experienced or fresher teachers. The teachers under study were the Faculty, Technical teachers and the Lab teachers. The prime objectives was to determine the extrinsic and intrinsic motivational factors, to establish the effect of job satisfaction on teacher motivation, to determine the effect of reward system on the motivation of teachers, to find the effect of training and development on teacher motivation and to determine the effect of work situational factors. The outcome was critically examined to arrive at a conclusion and some recommendations were suggested. The study targeted the faculty, technical teachers and the lab assistants.

OBJECTIVES OF THE STUDY

The objectives of the study were:

- a. To identify the extrinsic and intrinsic factors that motivates teachers.
- b. To determine the effect of reward system on teacher motivation in these colleges.
- c. To find the effect of professional training and development or refresher courses on teacher motivation.
- d. To bring about a relationship between job satisfaction and performance of teachers.
- e. To establish the effect of work situational factors on teacher motivation.

f. To critically examine how teacher motivation affects the teaching learning process.

BACKGROUND

Today, due to globalization and the fast changing technology, there is a need to revamp the educational system in India in order to meet the demands of the competitive world. Engineers play a pivotal role in shaping the world's economy through their innovations and creations. So the technical education that the students receive should be of high standards, enabling them to meet the global challenges. Teachers play a vital role in ensuring high quality education. The MHRD has emphasized the need of quality education to be imparted to all students especially to students pursuing professional courses. The reason being, it has been seen that most of the students are unemployable as the teaching learning process does not meet the required standards. It has also been seen that the quality of teachers are not up to the mark. Hence the

UGC and AICTE have set some norms for standardizing education in Technical colleges. It has also set some rules and regulations for colleges to follow to retain quality teachers. Quality Standards are set by NAAC and NBA which has to be maintained by technical colleges. High quality education is emphasized as the key tool for the development of the youth today with the competences they need to adapt to the globalized society. Imparting quality education should be done through appointing of quality teachers. Several inputs contribute to the quality of education being imparted, which in turn determines the quality of learning outcomes. However, the success and failure in achieving quality education lies primarily on teachers.

According to Hornby (2006) in this respect, teacher performance encompasses the teacher's role of teaching pupils in and outside the classroom. He stresses that the key aspects of teaching involve the use of instructional materials, teaching methods, making professional documents, participating in co-curriculum activities and guiding the learners. Therefore, teacher job performance is the teacher's ability to integrate the experience, teaching methods, instructional materials, knowledge and skills in delivering subject matter to the learners in and outside the classroom.

Intrinsic motivation, deriving from within the person or from the activity itself, positively affects behavior, performance, and well being (Ryan & Deci, 2000). Extrinsic motivation on the other hand, results from the attainment of externally administered rewards, including pay, material possessions, prestige, and positive evaluations among others.

Harmer defined motivation as an "essential element for success" and as "some kind of internal drive which pushes someone to do things in order to achieve something" (2001, p. 51).

Nyakundi (2012) explains teacher motivation is the most important factor in the promotion of teaching and learning excellence. He further adds, motivated teachers are more likely to motivate students to learn and to ensure the implementation of education reforms. Therefore in order to achieve this objective teachers should have job satisfaction. While teacher motivation is fundamental to the teaching and learning process, research studies show that many teachers in such private colleges are not highly motivated. This should be taken seriously and an investigation into teachers' motivation and job satisfaction is

therefore necessary to achieve the educational goals. According to Pattanayak, "Motivation is not a personal trait, but a result of the interaction between the individual and the situation. It is the willingness to exert high level of efforts towards organizational goals, conditioned by the effort's ability to satisfy some individual need".

With regards to what drives teachers, McKeachie (1997) believes that the key to teacher motivation in the classroom is based on the cognitive expectancy-value theory. He postulates that teachers set personal goals and expect certain rewards from their teaching, and that there are several factors such as recognition, positive relationships with peers, an expectation of success in the classroom, and both intrinsic and extrinsic motivators that ultimately encourage teachers to continue teaching and to remain teachers in the future

Richardson (2014) defines teacher motivation as the internal and external factor that stimulate desire or energy in teaching to be continuously interested and committed to make their best effort to support students' learning goals. Whereas Guajardo (2011) describes motivation as the willingness, drive or desire to engage in good teaching, most researchers define „motivation“ as the intrinsic and extrinsic drives or forces that determine focus, and direct behavior of the learners towards a specific target or goal.

In any educational set up, administrative policies and institution environment play a pivotal role in enhancing or reducing teachers' motivation level. At most times there is discrimination, anomalies in the institutional policies. Education policies are often unclear or subject to corruption or nepotism. Teachers prefer meritocratic promotion, deployment, and pay; but instead politics and patronage networks usually dominate and thus undercut teacher motivation, especially in South Asia (Teacher Professionalism in Punjab: Raising Teachers' Voices 2005). Teachers have a strong sense of equality, and become demotivated when they see other teachers (frequently math, science, and language teachers) receive what they perceive to be special treatment (Ramachandran and Pal 2005). Job satisfaction can happen if there is reasonable work load, learning opportunities, opportunities for growth like promotion and a higher position, healthy relationship with the administration and the higher authorities. These intrinsic satisfiers are more satisfying than the extrinsic ones like pay hike, incentives and other perks

We have seen that a teacher's motivation includes working environment, rewards/incentives, workload stress and administrative policies, autonomy, the institution culture, attending refresher courses etc. A motivated teacher is one who is self directed, has a high level of commitment, hard work, devotion, dedication and has a sense of responsibility. Although monetary rewards can be seen as an employee motivation, it is not only the cause of motivation.

Lawler (1969) states that while monetary rewards are significant in the short term, non monetary rewards in the form of meaningful work and recognition incline to sustain motivation in the long run. According to Robbins et al. (1998), the employee who plays an integral part in the development of the goals is more likely to perceive the outcome as being achievable and to be committed to achieving them. Organizational performance greatly depends on the motivated work force and the educational institution gain better

ranking and enjoy good reputation through competent academicians so the importance of performance of an academician is foremost and prerequisite for a successful and sound educational system. Educational institutions are faced with the problems of motivational level of the faculty, the technical teachers and the lab teachers.

Nyakundi (2012) explains teacher motivation is the most important factor in the promotion of teaching and learning excellence. He further adds, motivated teachers are more likely to motivate students to learn and to ensure the implementation of education reform. Therefore quality of an educational system cannot outperform the quality of its teachers. Further, Nyakundi (2012) indicates that teacher motivation is the important factor for classroom effectiveness and school improvement. He argues that high levels of job dissatisfaction, stress and burn out negatively influence motivation and job performance.

Ghaznawi highlighted the importance of distinguishing between teachers' motivation to make a general effort in their teaching versus teachers' motivation to learn and apply new teaching methods. Self-motivated teachers are those who feel satisfied when they see their students getting good grades especially through the application of new techniques.

Fresher Teachers are more motivated when they are paid on time, when retrieving their pay is easy, and sometimes through performance bonus-pay schemes. For example, in India irregularly paid salaries are a major source of low motivation (Ramachandran and Pal 2005). In terms of bonus pay, Muralidharan and Sundararaman (2009) find that individual and group

performance pay schemes significantly increased test scores in India through encouraging greater effort among teachers.

Motivators (Intrinsic Factors)

Motivators or satisfiers are those factors that provide positive feelings about job and cause satisfaction. These factors motivate individuals by changing the nature of work. They challenge individuals to develop their skills and talent and fulfill their potential. For instance, adding more responsibility to work and providing learning opportunities to a person to work at a higher level can lead towards a positive performance growth. In addition to responsibility and learning opportunities, recognition, achievement, advancement and growth are also intrinsic motivational factors.

Extrinsic Factors

Extrinsic motivators are those which are tangible and teachers derive immediate motivation. They are pay hikes, bonus, leave allowance whether it is causal, medical or earned. It can be monetary awards.

Theoretical Framework

Though the concept of teacher motivation and the factors leading to it through different motivation theories, has been analyzed by different researchers, I will take Vroom's Expectancy theory to critically analyze the job satisfaction level. Let us first understand how we can apply this theory. Motivation, according to Vroom is a combination of valence (value of perceived outcome), instrumentation (the belief that if I complete certain actions

then I will achieve the outcome), and expectancy (the belief that am able to complete the actions).

What is Vroom's Theory?

The theory that asserts that motivation is based on people's beliefs about the probability that effort will lead to performance (expectancy) multiplied by the probability that performance will lead to reward (instrumentality) multiplied by the perceived value of the reward (valence)

Expectancy: the belief that one's efforts will positively influence one's performance.

Instrumentality: an individual's beliefs regarding the likelihood of being rewarded in accordance with his or her own level of performance.

Valence: the value a person places on the rewards he or she expects to receive from an organization.

According to Robbins et al(2013) employees will be motivated to exert a high level of effort when they believe it will lead to a good performance appraisal., that a good appraisal will lead to organizational rewards such as promotion, salary increase. Therefore the theory focuses on three relationships:

1. **Effort:** performance relationship- That exerting a given amount of effort will lead to performance.
2. **Performance:** reward relationship-The degree in which the the individual believes performing at a particular level will lead to attainment of desired outcome. **Individual Efforts**
3. **Rewards:** personal goals relationship- the degree in which organizational satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual.

If we apply these principles to an academic institution we can say it this way:

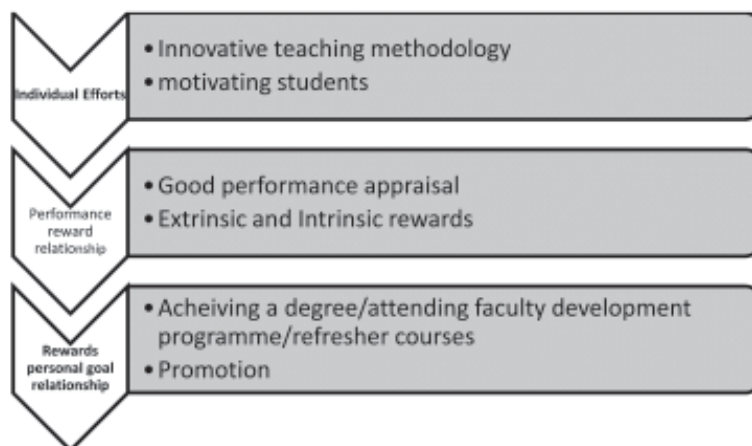


Fig -1

THE CHALLENGE/PROBLEM

Every new semester, most teachers face a problem whether their job will be there or not. There is a continuous fear of not receiving salary on time. As the retention of highly paid experts/teachers and low performing teachers is very low, there is a constant fear of losing jobs amongst most of the teachers. Many teachers claim that there is no parity in the pay structure of teachers having the same designation. Some of the challenges are mentioned below:

Due to the continuous unpredictable institutional environment, educational institutions are faced with the problems of motivational level of their staff, so this study is designed to address those issues which lead to job dissatisfaction and low level of motivation.

- 1) *Workload and Challenges*: There are increasing classroom challenges as it is difficult to teach students of very low IQ as most students have come from a weak academic background.. So demands are placed on teachers to enhance their performance level without any tangible benefits.
- 2) *Remuneration and Incentives*: Teachers are paid very low salaries and there is irregularity.
- 3) *Recognition and Prestige*: Due to supply is more there is a dearth of employment. Hence seniority or highly qualified teachers are undermined.
- 4) *Accountability and Autonomy*: Teachers are not given any autonomy. Sometimes the demands on accountability are more.
- 5) *Career Development*: Teachers wanting to develop or raise their academic standards are not given opportunities.
- 6) *Institutional Environment*: As there is no transparency, teachers have to constantly face unclear, changing policies as well as a poor management system.

RESULTS

1. 100% of the teachers agreed that they needed any form of motivation to get job satisfaction.
2. About 50 % of the respondents felt that they needed job security to feel motivated.
3. About 20 % teachers felt that they needed regular pay hikes rather than incentives.
4. About 90 % teachers said that they needed autonomy, transparent administrative policies, fair policies for all.
5. 50 % teachers said that they needed to attend Faculty Development Programmes as discrimination was felt when sending only some teachers to such programmes.
6. Some of the senior, experienced teachers felt that they were not given their due recognition as they were not included in the Internal Quality Circles.
7. It was also seen that discrimination was followed as regards granting leave for pursuing higher studies.
8. Most of the Diploma and Technical teachers felt that were not compensated according

to their work load.

9. There was much discontentment amongst the Lab teachers as it was found they were underpaid.
10. Lab and Technical teachers complained that they were not given much scope for upgrading their education as a result of this their morale was very low.

ALTERNATE SOLUTIONS

Since this study was confined to only two colleges there is much research to be done. Student s level of achievement, the level of achievement of organizational goals, the programme goals, and whether the quality standards can be achieved with maximum amount of teacher s job satisfaction should be critically analyzed. Job enlargement and Job rotation can help bring in innovativeness. Peer coaching and mentoring can aid in raising the academic standards. Appraisal system should be based on 360 degree system so that the appraisal is fair.

CONCLUSION

It has been seen through the survey that most teachers were dissatisfied with their jobs due to the working environment, lack of proper motivation, unstructured pay package, disparity in the administrative policies. It has been seen that real commitment to the teaching profession comes with responsibility and authority going hand in hand. Many teachers especially the technical teachers or Lab teachers complained that there weren t enough opportunities given to them for pursuing higher studies so that they get promoted. This caused the morale to go down and hence they could not motivate the students to reach a higher level of learning. Most of the teachers reported that there was a lot of anomalies in the Appraisal system and promotion depended upon the whims and fancies of their Seniors or HODs.. The compensation policies were not transparent and there was too much disparity within each department. Teachers who had the experience and required qualifications were not included in the decision making process

or in the Quality Circles. Most teachers were very apprehensive about journal writing as they were fearful of losing their jobs if they wrote the reality. So job insecurity was a constant factor that played a key role in not being truthful. We can conclude that teachers need motivation more of intrinsic in order to get job satisfaction and perform better to impact upon the motivation of students to get better results.

RECOMMENDATIONS

1. It is proposed that every year before the start of the academic year every teacher should be sent to either Faculty Development Programmes or Refresher courses without any discrimination.
2. There should be provision for funding either a part or wholly on such programmes.
3. In order to monitor the outcome of these courses, teachers should present their learning which they have acquired and how they will incorporate this in the teaching once they come back. Teachers should be given autonomy in delivering their lectures

and the methodology they will use.

4. Resources should be made available so as to do research work in the College.
5. The Appraisal system should be fair and just by using 360 degree method.
6. Fair system of promotion and increment should be there for all the teaching staff.
7. The salaries of the teachers be increased and fixed according to their qualifications and years of experience.
8. Incentives should be provided to the good teachers either in the form of giving Best Teacher Awards so as to acknowledge their efforts or can be monetary awards.
9. Advocate for more funding for libraries and resources to promote better teaching and learning and teachers can get access to good journals and other sources of learning.
10. Provide merit-based learning materials to high-performing teachers.

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APPENDIX-I

QUESTIONNAIRE

1. What is your overall level of satisfaction with your job as a teacher?
2. If you had the opportunity to start over in a new career, would you choose to become a teacher?
3. Generally speaking, do you believe that the teachers with whom you work are motivated?
4. Mention 3 areas in administrative policies which you would want to change.
5. Would you like to be promoted every year?
6. Do you think that attending Faculty Development Programmes or Refresher courses would help in improving the teaching standards?
7. Would you being given the opportunity to participate in teacher projects (e.g., research, curriculum development)?
8. Is the reward system enough to reduce attrition rate?
9. Which according to you is more rewarding- extrinsic or intrinsic rewards ?
10. How often do you think a teacher should be allowed to attend seminars or present papers?
11. What is the best way of performance appraisal according to you?
12. How often should there be Appraisals for all teachers?
13. How many teachers that you know or work with would you classify as de-motivated?
14. What kind of motivators gives you more job satisfaction?
15. If you get another teaching assignment with a higher pay or higher position, would you join? Why?
16. What endeavours do you make to make the students motivated to attend your classes?
17. Do you think motivation can affect the teaching learning process?
18. Do you think attending Refresher courses and FDPs is a waste of time for teachers?
19. What kind of job satisfiers will appeal to you?
20. Do you think that presenting papers will enhance the quality of teachers?

Impact of Demonetization on Foreign Capital Flow: An Empirical Study

Dipanjan Basu*

Sukanta Kundu**

ABSTRACT

The argument posited in favour of demonetization is that the cash that would be extinguished would be black money, but a debate is still going on about the fact whether demonetization brings any hope in the minds of million and millions of people or not. It impacted the whole Indian economy. As a result of demonetization, the short term capital flow is meant to encompass the foreign portfolio investment (FPI) and foreign institutional investors (FIIs). A simple linear regression based on dummy variable has been attempted to unfold the potential structural break in short term capital flow as a means to confirm the impact of demonetization. This study is spanned over a period of 24 months comprising pre and post demonetization phases. On consideration of the empirical figures, we have shown the impact of demonetization on foreign capital flow in this paper.

Keywords: *Demonetization, FPI, FIIs, Foreign Capital Flow*

INTRODUCTION

Demonetization referred to the act of stripping a currency unit of its status as legal tender. Indian Government has taken a bold decision on note ban on 8th Nov, 2016. RBI has withdrawn the old Rs 500 and Rs 1000 notes as an official mode of payment. Such notes valued at Rs 15.4 trillion, constituted 86 percent of the value of total currency in circulation. The process of demonetization involves either introducing new notes of the same currency or completely replacing the old currency with new currency

In the days following demonetization, banks and ATMs across the country faced severe cash shortages. Also following the announcement of banning note, SENSEX and NIFTY 50 stock indices crashed for next two days. ATMs across the country faced severe cash shortages. Also following the announcement of banning note, SENSEX and NIFTY 50 stock indices crashed for next two days.

The reasons of taking the decision of banning note are as follows-

- To tackle black money in the economy.
- To lower the cash circulation in the country which is directly related to corruption in our country

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- To eliminate fake currency.
- To destroy terrorist financing activities.
- To resist tax evasion
- To reduce corruption

LITERATURE REVIEW

Lahiri A. (2016) stated that the cash shortage may have already affected the prices of perishable goods and services. Prices of vegetables in wholesale markets, according to newspaper reports, have fallen significantly.

Overall inflation may come down because people have less to transact, but this decline in inflation will be for a short period.

Deodhar R. (2016) highlighted the fact that Demonetization is the mechanism by which the government states to withdraw the money which is current legal tender. The government being sovereign can take such decision. The effect of this announcement is that the currency notes in circulation will now cease to be valid tender and can only be exchanged at the banks. Demonetization of higher denomination notes as an idea has been around.

Kalyani P. (2016) stated that there was acute shortage of money in market and daily transaction was severely affected with the older 500 and 1000 Rupees notes being scrapped, until the new 500 and 2000 Rupees notes get widely circulated in the market, money is expected to reduce in the short run

Ramdurg A. *et al.* (2016) stated that, Demonetization is not new to India or to the outside world. Various Governments across the world have decided to ban currency note in circulation, rendering huge amount of cash useless overnights, due to plethora of reasons. Demonetization, entire amounting circulation was not reached back to Government. It means certain amount of money certain which was in circulation is lost. Therefore it leads to deflationary conditions.

Sinha A. *et al.* (2016) highlighted that Demonetization of 86 per cent of currency notes as illegal tender in just a blink of time on eve of 8th Nov, 2016 mandated the creation of immediate interruption in daily lives. The chaos was created in every strata of the society whether upper, middle or lower.

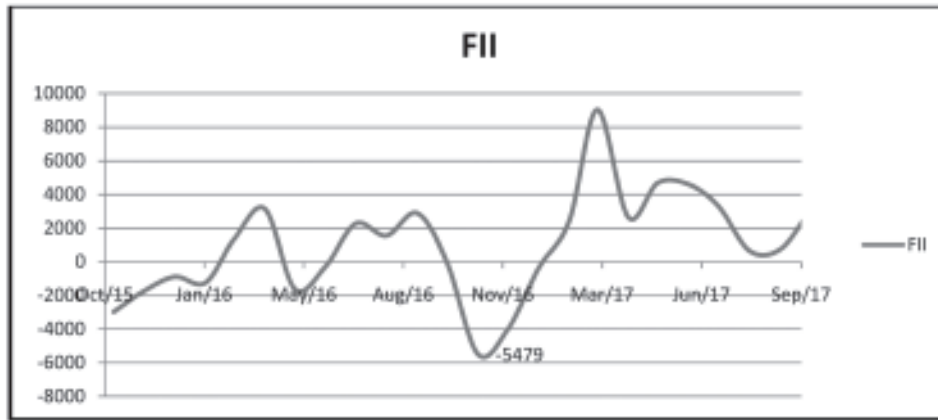
OBJECTIVES OF THE STUDY

- To give a clear idea about demonetization
- To analyse the impact of demonetization on foreign capital flow
- To find out the impact of demonetization on the demand deposits of the scheduled commercial banks

RESEARCH METHODOLOGY

This paper is basically based on secondary data. Stata software was used to get the results. On the basis of that result conclusion was drawn.

Data Analysis



Year	Direct Investment	Portfolio Investment	FII	Dummy(Pre)	Dummy(Post)
November,15	3303	3	-2970	1	0
December,15	5003	3	-1758	1	0
January,16	5251	250	-894	1	0
February,16	3392	250	-1251	1	0
March,16	2742	250	1358	1	0
April,16	2794	-288	3141	1	0
May,16	1419	-288	-1622	1	0
June,16	1681	-288	-279	1	0
July,16	4064	219	2267	1	0
August,16	4786	219	1558	1	0
September,16	5133	219	2884	1	0
October,16	5854	9	-40	1	0
November,16	5438	3	-5479	1	0
December,16	3812	25	-4031	0	1
January,17	4657	-28	-389	0	1
February,17	2214	15	2454	0	1
March,17	3084	1014	9034	0	1
April,17	3348	-566	2653	0	1
May,17	4189	55	4681	0	1
June,17	2550	-19	4587	0	1
July,17	4702	64	3282	0	1
August,17	8430	76	648	0	1
September,17	2029	124	743	0	1
October,17	2223	43	3053	0	1

Table1

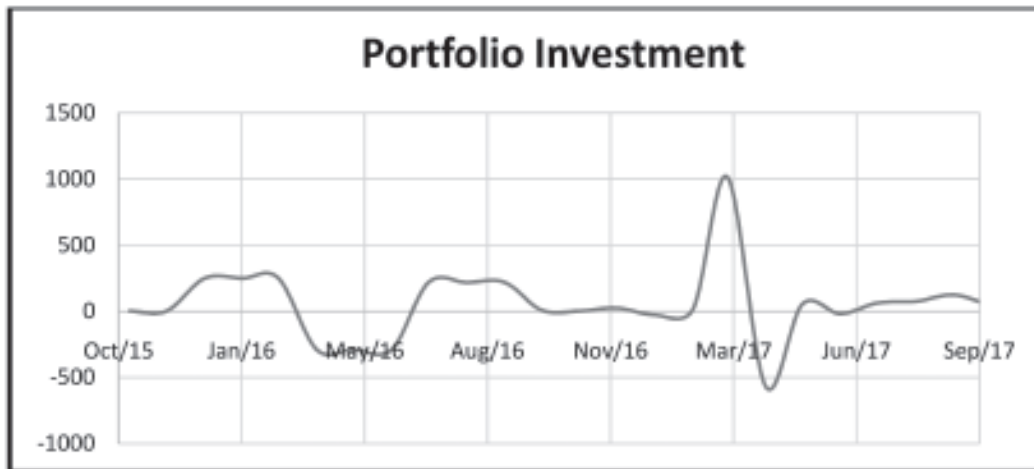


Table 2:

Independent Variable	Dummy for the period pre-demonetization
Dependent Variable	Coefficient
Foreign Institutional Investment	- 2665.94*(1885.1)
Foreign Portfolio Investment	-29.84615**(119.70)

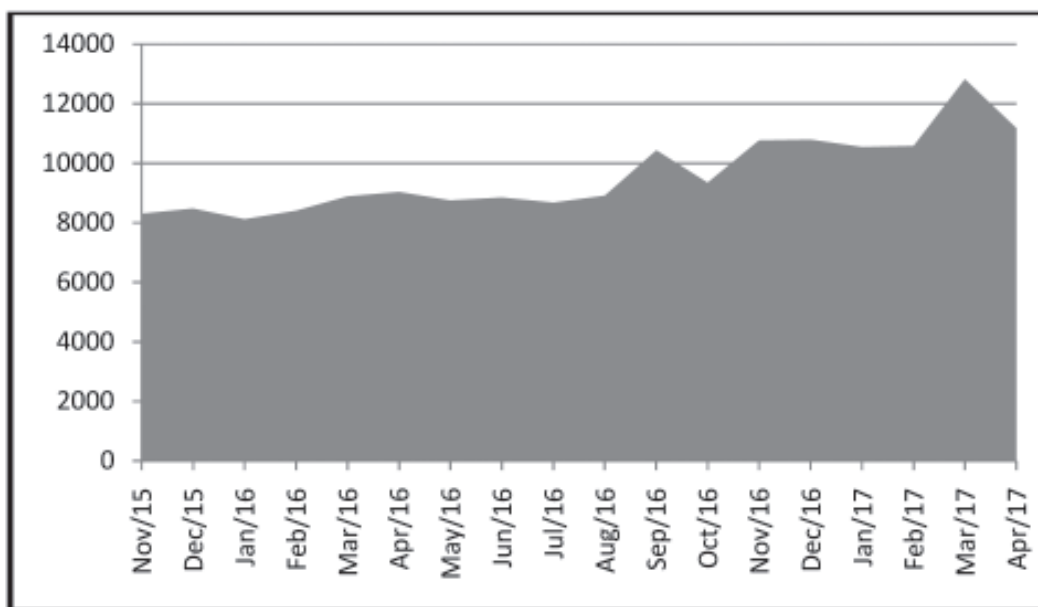
**significant at 10 per cent but not at 5 per cent*

***not significant both at 5 and 10 percent*

Table 3:

FORTNIGHT ENDED	DEMAND DEPOSITS
Apr-2017	11177.16
Mar-2017	12814.39
Feb-2017	10576.48
Jan-2017	10545.49
Dec-2016	10785.29
Nov-2016	10771.17
Oct-2016	9342.71
Sep-2016	10427.84
Aug-2016	8905.54
Jul-2016	8671.85

Jun-2016	8847.50
May-2016	8755.75
Apr-2016	9037.63
Mar-2016	8889.96
Feb-2016	8403.36
Jan-2016	8121.24
Dec-2015	8478.54
Nov-2015	8300.10



FINDINGS

- Foreign Direct Investment (FDI) flows remained buoyant in Nov and Dec 2016. Portfolio flows (debt & equity) declined sharply from Nov 2016 to mid-Jan 2017, reflecting largely global factors. However, they turned positive since the last week of Jan 2017.
- Demonetization has had a significant impact on the balance sheet of scheduled commercial banks (SCBs), both in terms of size and composition. Decline in currency in circulation on account of demonetization led to a surge in bank deposits. The demonetized notes were accepted at bank counters till Dec 30, 2016. Between OCT

28,2016 and Jan 6,2017 (i.e, days immediately prior to and after demonetization for which fortnightly banking system data are available),total currency in circulation declined by about INR 8,800 billion. This,in turn,was largely reflected in sharp increase of about INR 6720 billion in aggregate deposits of the banking system even after outflows in NRI deposits during the period.

- From Table 2,we can observe that FII increases by 2665.944 from the period prior to the period after demonetization. This is mainly due to increase in the speculative motive for holding cash, people moved from cash holding to stock holding. Due to demonetization investors preferred to park their investments in stocks may be due to an anticipation factor. Despite the wide uncertainty on the effects of demonetization in the economy, the banking sector has been positively affected. With a rise in deposits both for current and savings accounts and falling interest rates, demonetization is expected to spur liquidity and treasury gains.

CONCLUSION

The purpose of the study was to determine the impact of Demonetisation on Foreign capital flow. From the study we can say that foreign capital inflow was not that much affected by demonetisation. But the effect on Indian banking sector was mixed. The role of cash transactions in an informal economy is critical. With 86 percent of the monetary base being washed off, economic activity in the short run is likely to be adversely impacted. The wide spread negative returns across sectors after demonetisation reflect the immediate negative sentiments attached with the overall economic activity. However, the possibility of a favourable outcome cannot be ruled out. The possibility of these effects being temporary may seem to be a ray of hope.

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GST Simplified: Taxes shouldn't be taxing

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DEFINITION

GST stands for "Goods and Services Tax", and is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace almost all indirect taxes levied on goods and services by the Indian Central and State governments. Quite literally, GST (Goods and Services Tax) is a tax borne by the ultimate consumer.

ORIGIN

The goods and services tax (GST) is a multi-level value added tax introduced in Canada on January 1, 1991, by then-Prime Minister Brian Mulroney and his finance minister Michael Wilson. The GST replaced a hidden 13.5% manufacturers' sales tax (MST); Mulroney claimed the GST was implemented because the MST was hindering the manufacturing sector's ability to export competitively. The introduction of the GST was very controversial. The country's GST rate is 5%, effective January 1, 2008.

WHY INDIA FELT THE NEED FOR GST

The current tax regime is riddled with indirect taxes which the GST aims to subsume with a single comprehensive tax, bringing it all under a single umbrella. It aims to eliminate the cascading effect of taxes on production and distribution prices on goods and services. The present structure of Indirect Taxes is very complex in India. There are so many types of taxes that are levied by the Central and State Governments on Goods & Services. We have to pay 'Entertainment Tax' for watching a movie, Value Added Tax (VAT) on purchasing goods and services. There are Excise Duties, Import Duties, Luxury Tax, Central Sales Tax, Service Tax. As of today some of these taxes are levied by the Central Government and some by the State Governments. It has been long pending issue to streamline all the different types of indirect taxes and implement a single taxation system in India. This system is called Goods and Service Tax (GST) and the main expectation from this system is that it will abolish all indirect taxes and only GST will be levied on both goods and services.

THE GST TIMELINE

1. In 2000, the Vajpayee Government set up a committee headed by Asim Dasgupta, the (Finance Minister of the Government of West Bengal) to design a model for GST and oversee IT preparations.

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2. The Empowered Committee of State Finance Ministers decided to set up a Joint Working Group on May 10th, 2007.
3. This report was then discussed in detail in the meeting of Empowered Committee on November 28th, 2007.
4. The comments of the Government of India were received on December 12, 2008 and were duly considered by the Empowered Committee. (December 16th 2008).
5. However the cm-rent challenge facing the bill is that it needs two-third majority of both houses and 50 percent of the state al assemblies will have to ratify it.
6. An announcement was made by Palaniappan Chidambaram, the Uinton Finance Minister, during the central budget of 2006-07 dated 28t's February 2006, that GST would be introduced from April 1, 2010 and that the Empowered Committee of State Finance Ministers, on his request, would work with the Central Government to prepare a road map for introduction of GST in India.
7. The Joint Working Group, submitted its report to the Empowered Committee on November 19". 2007.
8. A final version of the views of Empowered Committee at that stage was prepared and was sent to the Government of India (April 30th, 2008).
9. On 17th December 2014, the NDA government made slight changes to it and redefined it in the Lok Sabha_ The bill got cleared on May 6th this year.
10. The bill Is now stuck In the Rajya Sabha, because the current government does not hold a majority here.

DEVELOPMENTS

- March 2015: Then Kerala FM KM Mani appointed chairman of the committee.
- May 2015: LS passes the bill. Bill tabled in the Rajya Sabha , referred to select panel.
- July 2015: Select panel report tabled in RS, recommends dilution of additional 1% tax on inter-state movement of goods. Cabinet clears revised bill .Government continues negotiations with the congress to bring it on board.
- December 2015: Panel, headed by Chief Economic Advisor Arvind Subramaniam , submits report on GST , recommends standard rate of 17-18%.
- February 2016: West Bengal FM Amit Mitra named chairman of the committee.
- July 2016: Empowered committee of state FMs and Union Finance Minister Arun Jaitley meet. Agree on scrapping 1% additional duty. Cabinet clears revised Constitution Amendment Bill on GST, dropping 1% tax and providing for full compensation to states for 5 years in case of losses under the GST regime.
- August 2016: Congress still has reservations on dispute resolution mechanism. Government circulates draft bill to woo Congress and other Opposition parties.
- August 3, 2016: Rajya Sabha passes Bill, which will go to Presidential Reference; It

will then go to the Lok Sabha.

- August 8, 2016: GST bill—was taken up by Lok Sabha, with virtually all political parties backing this legislation.
- August 12, 2016: Assam has become the first state to ratify Constitution Amendment Bill related to the Goods and Services Tax (GST), following its passage by both houses of Parliament during the month.
- August 16, 2016: With Parliament passing the GST Bill in the just-concluded session, Union Finance Minister Arun Jaitley has now asked Andhra Pradesh and Telangana to ensure its early ratification. Mr. Jaitley has written separate but identical letters to Andhra Pradesh Chief Minister N Chandrababu Naidu and his Telangana counterpart K Chandrasekhar Rao in this regard.
- August 17, 2016: Bihar Assembly on 17th August, ratified the Constitution Amendment Bill on GST after Chief Minister Nitish Kumar highlighted its benefits.
- August 24, 2016: The Gujarat Assembly passed the Goods and Service Tax (GST) Constitution Amendment Bill, becoming the sixth state to pass the bill.
- The ratification of the bill comes in quick succession after the Chhattisgarh assembly passed it unanimously on 22nd August.
- Himachal, Assam, Jharkhand and Bihar state assemblies have also passed the Bill.
- August 24, 2016: The Madhya Pradesh Assembly also passed the Goods and Service Tax (GST) Constitution Amendment Bill. MP became the seventh state in the country to ratify the historic tax amendment bill. Earlier, Madhya Pradesh, Gujarat, Bihar, Jharkhand, Assam, Himachal Pradesh and Chhattisgarh have already passed the bill in their respective assemblies.
- August 31, 2016: Though the Centre is “fully geared” to usher in the goods and services tax (GST) from April 1, 2017, a section of industry seemed to have doubts about its own preparedness for the same and suggested it might need at least six months after the GST Council had frozen its decisions, the revenue secretary apprised on August 30th.
- September 1, 2016: Goa became the 15th state to ratify the Goods and Services Tax (GST) Constitution Amendment Bill, paving the way for the legislation to be notified by the President to the GST Council.
- September 2, 2016: Rajasthan Assembly unanimously ratified the Constitution Amendment Bill on Goods and Services Tax (GST) passed by parliament.
- September 10, 2016: Meghalaya assembly on Friday ratified the Goods and Services Constitution Amendment Bill. Meghalaya became the 17th and the second Congress-ruled state after Himachal Pradesh to ratify the GST Bill.
- September 17, 2016: Government has formally notified the GST Council, which will decide on the tax rate, exempted goods and the threshold under the new taxation regime.

- The council will be chaired by Union Finance Minister and have Minister in charge of Finance or Taxation or any other Minister nominated by each State Government as its member. Also Minister of State in charge of Revenue or Finance at the Centre would be a member. Earlier this week, the Union Cabinet had approved setting up of all powerful GST Council, which is expected to thrash out a decision on all major aspects of GST roll out by November 22.
- The first meeting of the GST Council will be held on September 22-23.
- September 23, 2016: Centre, states spar over 3 key issues, eye April GST rollout. The crucial issue of the exemption threshold ahead of the rolling out of the landmark Goods and Services Tax (GST) was resolved with the government fixing Rs 20 lakh limit, except in the north-east where the limit is Rs 10 lakh.
- October 2, 2016: A consensus reached between the Centre and states on administering 1.1 million service tax assesses in the first GST Council meeting was short-lived as it broke down. The high-powered body broadly resolved the issue of area-based exemptions and approved rules for registration and refunds under the proposed regime.
- Separately, the consultative committee of Parliament was told by Finance Minister Arun Jaitley that the government is working on a target date of April 1, 2017, for the roll out of GST.
- October 19, 2016: The Centre has proposed four slabs for the goods and services tax (GST) in addition to a cess on sin and luxury goods that will help it mop up close to Rs 50,000 crore to compensate states for any possible revenue loss under the new tax regime.
- The GST Council discussed possible Goods and Service Tax rates, including a four-slab structure of 6, 12, 18 and 26 per cent with lower rates for essential items and highest band for luxury goods, even as it reached consensus on payment of compensation to states.
- October 20, 2016: The Centre and states will meet again early next month to decide on the tricky issue of GST rates, but an agreement appeared possible on imposing a cess on ultra-luxury and demerit goods to compensate states for potential revenue loss.
- November 17, 2016: Centre circulates draft GST law. GST to subsume most central and state taxes like VAT, service tax, central sales tax, excise duty, additional customs duty and special additional customs duty. With the introduction of GST almost 7 taxes come under one net.
- Centre finally decides on 4 rates of GST — 5, 12, 18 and 28 percent. However, it is yet to decide on issue of cross empowerment to avoid dual control. Decides to keep essential items out of the purview of taxation.
- November 25 — 26, 2016: 4th GST Council meet inconclusive: Debate on CGST and IGST, along with dual control and proposed anti profiteering clause. Moreover demonetization left a massive impact and states fall wary on the implementation of

GST.

- Centre decides to compensate states if their revenue growth rates falls below 14 % in the first 5 years of GST roll out. The base year for calculating revenue of a state was decided as 2015-16
- Centre decides to impose clean energy cess and cess on luxury items and demerit goods like pan masala, alcohol and tobacco to create an Rs 50,000 crore fund for compensating the states.
- November 26, 2016: Government circulates anti profiteering clause in GST so that lower taxes are shared with consumes and no tax is imposed on securities and subsidies. It would be taken up at the 5th meeting of GST council on December 2-3.
- November 28, 2016: PM Modi allays fears of anti profiteering clause. PM says one nation one tax to benefit states. Kerala and Bengal come together to oppose GST as demonetization would be a double whammy for the poor and stressed and the state would also not receive an assured return of 14% after implementing GST.
- December 2, 2016: 5th GST council meeting. Consensus is eluded on model GST law. Finance minister raises pitch that GST has to be rolled out by 16th Sept. 2017 as on that day validity of all existing indirect tax laws will come to end. April 1 2017 is the zero date for implementing GST.
- December 11-12, 2016: Next GST meeting.

WHAT IS THE GST BILL?

The Goods and Services Tax Bill or GST Bill officially known as The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014, proposes a national Value added Tax to be implemented in India.

Some of the important changes in the Goods and Service Tax Constitution Amendment Bill are as follows:

- Deletion of 1% additional tax which had been earlier proposed on all inter-state supply of goods
- Incurred by the states due to implementation of GST. The Government had earlier proposed full compensation to States for first three years followed by 75% of loss for fourth year and 50% of the loss for fifth year
- Disputes between the States and the Centre will be adjudicated by the GST Council which will have representation from both, Centre and the States
- Non-inclusion of cap on GST rate in the Constitution
- Dispute resolution mechanism with annual turnover of entities of Rs 1.5 crores or more

THE SALIENT FEATURES OF GST

The following are the salient features of the proposed pan-India Goods and Services

Tax regime that was approved by the Lok Sabha by way of an amendment to the Constitution:

1. GST, or Goods and Services Tax, will subsume central indirect taxes like excise duty, countervailing duty and service tax, cesses and surcharges on supply of goods and services and Special Additional Duty of Customs (SAD), Central sales tax as also state levies like value added tax, octroi and entry tax, luxury tax, purchase tax, entertainment tax, taxes on advertisements, lotteries, betting and gambling, state cesses and surcharges.
2. The final consumer will bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.
3. As a measure of support for the states, petroleum products, alcohol for human consumption have been kept out of the purview of the GST.
4. It will have two components - Central GST levied by the Centre (CGST) and State GST levied by the states (SGST) .
5. However, only the Centre may levy and collect GST on supplies in the course of inter-state trade or commerce. The tax collected would be divided between the Centre and the states in a manner to be provided by parliament, on the recommendations of the GST Council.
6. In case of inter-State transactions, the Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supplies of goods and services under Article 269A (1) of the Constitution. The IGST would roughly be equal to CGST plus SGST. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one State to another. The inter-State seller would pay IGST on the sale of his goods to the Central Government after adjusting credit of IGST, CGST and SGST on his purchases (in that order). The exporting State will transfer to the Centre the credit of SGST used in payment of IGST. The importing dealer will claim credit of IGST while discharging his output tax liability (both CGST and SGST) in his own State. The Centre will transfer to the importing State the credit of IGST used in payment of SGST. Since GST is a destination-based tax, all SGST on the final product will ordinarily accrue to the consuming State.
7. The GST Council is to consist of the union finance minister as chairman, the union minister of state of finance and the finance minister of each state.

CASCADING EFFECT ON TAXATION

Cascading effect of taxes is caused due to levy of different charges by state and union governments separately on the same value addition and also tax on tax. In the current multi-staged tax-structure, the following indirect taxes are levied by the centre and state separately: Taxes levied by the Centre include: service tax, central sales tax, excise duty. Taxes levied by the state include: VAT/sales tax, octroi, state excise, property tax, entry tax and agriculture tax. This tax structure raises the tax-burden on Indian products, affecting their prices, and as a result, sales in the international market. The new tax regime will therefore, help boost exports.

Cenvat (Introduced 2000): Levied on the manufacture or production of movable and marketable goods in India- either as a percentage of transaction value or the MRP of the goods.

Sales tax (Centre and State)(Introduced1957): Levied on the sale of a commodity that is produced or imported and sold for the first time. If sold subsequently without being processed further, the product is exempt from sales tax.

Octroi: A local tax collected by the state government or the city municipality on articles brought into a town for local use.

Excise Duty (Introduced 1985): An indirect tax levied on those goods which are manufactured in India and are meant for home consumption.

Entertainment tax: Levied on amusement, exhibitions, large commercial shows or large private festival celebrations.

Securities Transaction tax: Levied on every purchase and sale of securities that are listed on Indian stock exchanges. This would include shares, derivatives or equity oriented mutual funds units.

Service tax (Introduced 1994): Levied on services rendered by a person / service provider.

Vat (Introduced 2005): The indirect tax on consumption of goods, paid by its original producers upon the change in goods or upon the transfer of the goods to its ultimate consumers.

Entry tax (Introduced 2000): Levied on the movement of the goods from one state into another and is levied by the recipient state to protect their tax base.

Luxury Tax: Levied on luxury goods or premium products and services, which are not considered essential.

The major gain from GST will be extension of input tax relief to inter-state sale of goods.

STRUCTURE IN CURRENT SCENARIO

- Currently the Centre alone can tax 'services'.
- Currently, different stages in the progression of goods in the supply chain are levied to different taxes, and there is no input tax relief for most of these, so that the price of goods gets correspondingly inflated. The taxes on goods include excise duty, VAT / CST, purchase tax (if applicable), entry tax (in various forms and names), and state cesses and surcharges. While a manufacturer's invoice does reflect excise duty and VAT I CST even now, this is only because both are indirect taxes and are collected from the customer. It can also be seen that VAT / CST is not charged on transfer of goods that is not a sale, like stock transfer; and excise duty is not charged on sale transactions but is charged only on manufacture.
- Because manufacture, sale and service are at present taxed differently, there is much ambiguity and litigation over legal concepts of what constitutes:

- Manufacture
- Sale
- Service

At present a manufacturer's commercial invoice reflects both central excise duty and state VAT on the same goods. This is because both are indirect taxes and are collected from the customer. Conceptually, however, at present the Centre taxes 'manufacture', and thereafter the state taxes 'sale' of the goods. The result is that the central excise duty is imposed first on the goods, and the state tax comes after that, on a value that is price plus central excise duty.

STRUCTURE DURING GST REGIME

- In GST it is proposed that the states as well as the Centre can tax services. Also, both Centre and states are to be explicitly empowered to levy goods and services tax, which is defined as a tax on the supply of goods or services or both.
- GST will replace a multiplicity of taxes on goods, like excise duty on indigenous manufacture and on imports, VAT, CST, purchase tax, entry tax, and various cesses and surcharges. It will also replace entertainment tax (other than by local bodies), luxury tax, taxes on advertisements and taxes on lottery, racing and gambling. Furthermore, GST will be available as input tax credit.
- The single tax on 'supply' will render redundant the decades-old debates on what constitutes
- Manufacture
- Sale
- How to tax composite transactions of service and sale.
- A greater degree of clarity regarding taxability, and a corresponding reduction in uncertainty will result.
- In future when the same transaction of 'supply' is being taxed by both Centre and states, the taxes will be levied simultaneously on the same value. The rate of GST in the above transaction will be 24%, split as 10% central GST and 14% state GST.
- Thus there will be a reduction in the amount of VAT (to be known as SGST) payable if the rate remains the same.
- GST will provide input tax relief in inter-state transactions.

HOW WILL GST REMEDY THE SITUATION?

- The tax structure will be made lean and simple.
- The entire Indian market will be a unified market which may translate into lower business costs. It can facilitate seamless movement of goods across states and reduce the transaction costs of businesses.
- It is good for export oriented businesses. Because it is not applied for goods/services which are exported out of India.

- In the long run, the lower tax burden could translate into lower prices on goods for consumers.
- The Suppliers, manufacturers, wholesalers and retailers are able to recover GST incurred on input costs as tax credits. This reduces the cost of doing business, thus enabling fairer prices for consumers.
- It can bring more transparency and better compliance.
- Number of departments will reduce which in turn may lead to less corruption
- More business entities will come under the tax system thus widening the tax base. This may lead to better and more tax revenue collections.
- Companies which are under unorganized sector will come under tax regime.

Here is the list of things that would become expensive and cheaper after the application of the bill:

Smalls cars and mini SUVs can become cheaper: Currently, around 30 to 40 per cent tax is levied on cars. Under GST, around 18 per cent tax would be levied. So, mini SUVs would become cheaper by upto Rs 45 thousand. Small car owners would also be benefitted.

Consumer durables to be cheaper: Around 12.5 per cent excise tax and 14.5 per cent VAT is applicable on consumer durable like AC, fridge, washing machine, microwave oven. With GST, their prices would come down.

Industries to benefit: After GST, industries would not have to pay 18 different kinds of taxes. The procedure to fill the tax would be easy unlike previous tax regime.

FMCG products to be cheaper: According to analysts, taxes on FMCG companies would come down to 18-20 per cent from 28-30 per cent. This would help bring the prices of their products down.

Cinema tickets to be cheaper: Movie tickets would become cheaper as entertainment tax would be decreased.

Packaged food to be expensive: 4-6 percent duty is applied on tea-coffee and many other packaged foods. After GST, they can become expensive by 12 per cent.

Clothes and ornaments can be expensive: On gold and gems ornaments, a duty of 3 per cent is levied. On clothes, 4-5 per cent VAT is applied. The prices of these articles can increase.

All the services to be more expensive: 15 per cent tax is levied on mobile bills, credit card bills and all the other services. They can become more expensive.

SECTORS BENEFITTING FROM GST

AUTOMOBILES

Largely positive for demand, as it will lead to a 10-17 per cent fall in prices, assuming an 18 per cent GST rate. Margin benefits to accrue for tractors, as these can claim set-off against taxes paid on input. Organized battery and other spares would become

more cost competitive and gain market share. Stock Impact: Positive for Maruti Suzuki, Hero MotoCorp, Exide, Amara Raja, Eicher Motor, Mahindra & Mahindra, Bajaj Auto. Negative for Ashok Leyland.

FMCG

GST will be positive for household and personal care space, as the effective tax rate reduces by 200-500 basis points (bps), apart from reducing warehousing and logistical requirements. However, working capital for retailers, and additional tax rates for jewellery and cigarette manufacturers are negatives. Stock Impact: Positive for Hindustan Unilever, Ernami, Godrej Consumer. Negative for Titan, Bata, ITC.

LOGISTICS

Passage of GST will lead to elimination of central sales tax and inter-state value-added tax arbitrage possibilities. This will lead to consolidation of warehouses and increased efficiencies in the logistic chain. Stock Impact: Positive for Container Corporation of India, Adani SEZ, Gujarat Pipav Port (longer term)

INFRASTRUCTURE

Clarity on works contract taxation is the key benefit for the sector. This could reduce litigation, as it eliminates the difference between sales and services.

Stock Impact: Positive for Larsen & Toubro (L&T).

CONSUMER DURABLES

Consumer durables will benefit from improved logistics. Direct benefits up to 200-300 bps in cost savings may accrue. A significant portion of direct benefits will be passed on to end consumers because of a highly competitive market.

Stock Impact: Positive for Voltas, Havens ,Cromptn Greaves.

OIL & GAS

Key petroleum products like crude, natural gas, high speed diesel and ATF have been kept out of GST. Clarity is awaited for others. Compliance costs are likely to rise because of dual indirect tax mechanism. Stock Impact: Neutral. Do not foresee any meaningful change on oil & gas companies.

CEMENT

Overall tax incidence on the sector could decline. The sector will also benefit from expected decline in logistic costs. Firms can be expected to pass on the benefits, given that demand and plant utilization levels are picking up.

Stock Impact: Positive for most Companies.

WIND POWER

GST will be negative for wind, turbine generator manufactures like Suzlon and InoxWind, as pressure on developer margins and internal rates of return could eventually force reduction in prices and realizations, up to 10-13 per cent. However, if components are included in the exemption list, the impact of GST will be nullified.

Stock Impact: Negative for Suzlon, Inox Wind.

UTILITIES

Exclusion of "sale of electricity" from GST could potentially raise the cost of coal-fired and renewable energy for Discoms. Profitability of independent power producers selling via medium/long-term PPAs is unlikely to be dented as cost escalation would likely to be passed on. Stock Impact: Positive for CESC , negative for JSW Energy.

PHARMACEUTICALS

GST rollout could be negative for the sector, as it is likely to increase indirect tax. Analysts say indirect taxes paid by pharma companies could increase by 60 per cent and MRP by four per cent. Stock Impact: Negative for Alkem ,GlaxoPharma.

HOW WILL GST BENEFIT WEST BENGAL?

1. Net consuming states like West Bengal and Kerala will benefit from the GST while net producing states like Gujarat, Tamil Nadu and Maharashtra will stand to lose because GST would be a destination-based tax and not origin-based as the present dispensation was.
2. The indirect tax department in West Bengal region would soon set up a taxpayers unit to provide clarification on the various aspects of the GST. This endeavor was aimed at better tax compliance, which would lead to higher revenue collection under the GST regime.
3. GST is expected to remove trade barriers between states and bring in uniform policy across the nation.

ADVANTAGES UNDER GST

Manufacturing States

One tax: The common base for charging GST for Centre and the state will consist of an amalgamation (subsuming) of several central taxes and state taxes which will enable them to give one tax rather than giving about 16 taxes.

Common market: There will be a common market in the absence of CST and entry tax. At present, goods are being sold mostly within the state in order to avoid the CST which is not credited at the stage of manufacturer or in course of trading. Good quality products being manufactured in one part of the country will find more market in the farthest part of the country because there will be no CST and no entry tax.

Distinction between goods and services will go: In some cases, there is a distinction between goods and services when they are sold as a package. These controversies will go.

Invoicing will be simpler: At present, the invoices are more detailed since taxes on goods and services are written separately for one transaction. With the introduction of GST only one rate will be written.

No entry tax: The abolition of entry tax will be a great boon for the movement of goods by road transport.

Common exemptions between Centre and states: Now the exemptions given by the Centre and the states being different, the final price becomes different in different states. In the GST regime, exemptions will be common between the Centre and the states which will make the rates of duty same all over India.

Big central excise tariff will go: The big and fat central excise tariff has got eight digit classifications like 44079990, 76069110. They attract different rates many times. All these will be replaced by one rate.

Concept of manufacture will go: Manufacture is a highly complicated concept. It is defined mostly by judgments of Supreme Court and high courts. It is a den of controversy. The concept of manufacture will be replaced by the concept of value added which is numerically measureable and is not controversial.

Classification controversies will go: Now, classification controversies are galore since there are so many rates of duty. This problem will also go if the exemptions are limited.

Problem of identification will go: At present, identifying a commodity like whether it is rubber or resin, paper or board, ash, or dross dominate the proceedings since rates of duty are different. These controversies will be over.

Undue enrichment law will go: At present, there is a law in central excise and service tax which provide for refusing refund of higher duty paid in case the burden of higher rate of tax imposed already has not been passed on to the consumer. This is a highly litigated law which will necessarily have to go because GST will be a combination of so many taxes apart from these two taxes. And these taxes do not have the same provision. Moreover, if the unjust enrichment of law is made to apply to GST as a whole, the purpose of seamless movement of goods and services will be defeated.

Zero rating will be more comprehensive and easier: Even without GST, zero rating (giving relief for the input duty) is possible, but it does not give relief for some of the duties. With GST, zero rating will be more comprehensive.

Consumer States

- GST is a transparent Tax and also reduce numbers of indirect taxes. With GST implemented a business premises can show the tax applied in the sales invoice. Customer will know exactly how much tax they are paying on the product they bought or services they consumed.
- GST will not be a cost to registered retailers therefore there will be no hidden taxes and the cost of doing business will be lower. This in turn will help Export being more competitive.
- GST can also help to diversification of income sources for Government other than income tax and petroleum tax.
- Under Goods and Services Tax, the tax burden will be divided equally between Manufacturing and services. This can be done through lower tax rate by increase

Tax base and reducing exemptions.

- In GST System both Central GST and State GST will be charged on manufacturing cost and will be collected on point of sale. This will benefit people as prices will come down which in turn will help companies as consumption will increase.
- Biggest benefit will be that multiple taxes like octroi, central sales tax, state sales tax, entry tax, license fees, turnover tax etc will no longer be present and all that will be brought under the GST. Doing Business now will be easier and more comfortable as various hidden taxation will not be presented.

DISADVANTAGE UNDER GST

Manufacturing States

- Foremost among continuing worry is loss of revenues, despite assurances that all losses will be compensated. It is the manufacturing states that are more worried than the others. This is because value added tax, or VAT, the current taxation regime in states, is an origin-based tax while the good and services tax (GST) is a destination-based tax. In the origin-based tax system, tax is collected where the supplier of good is located while in the destination based system, tax is collected where the consumer of a product is located while in the destination based system, tax is collected where the consumer of a product is located.
- Tamil Nadu, Maharashtra and Gujarat are among the more industrialized states and they fear big losses of revenues on movement of goods made in their states.
- Tamil Nadu government says it will lose Rs 3,500 crore annually due to abolition of CST and wants compensation from the Centre.
- Local lorry owners are not fully confident of reaping benefits from GST. For trucks to derive full benefits of GST, petroleum and its associated products must form part of GST.

Consumer States

- Critics say that GST would impact negatively on the real estate market. It would add up to 8 percent to the cost of new homes and reduce demand by about 12 percent.
- Some Economist says that CGST, SGST and IGST are nothing but new names for Central Excise/Service Tax, VAT and CST and hence GST brings nothing new for which we should cheer.

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To study the factors impacting Social Entrepreneurship: an Indian Perspective

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ABSTRACT

Social entrepreneurship is when entrepreneurs develop and administer business solutions to look after environmental, cultural and societal issues. Social entrepreneurship is aimed to attain betterment goals for the community that is beneficial to the society as a whole. Social movements over the last thirty odd years have begun promoting social entrepreneurship all over the world. The aim of this paper is to find the main factors that positively or negatively impact social entrepreneurship for the betterment of the society. Entrepreneurs who aim to positively impact the life of poor, helpless, miserable, and needy people are social entrepreneurs. One of the common issues of a developing nation like India is that very few citizens are interested in the wellbeing of their counterparts in the society and those who are willing are reluctant because of various myriad issues thus it is very important to realize the need & importance of social entrepreneurship. This study aims to evaluate the reasons for the need of developing social entrepreneurs. Social entrepreneurs are vastly different from for-profit entrepreneurs. The basic difference between them is that social entrepreneurs are interested in the benefit of the society as a whole whereas for-profit entrepreneurs are interested in the wealth and art of making money. The methodology that was followed in this study is that first a questionnaire was developed on the basis of literature available in this area of study. The questionnaire was then circulated to find opinions regarding the important factors that impact social entrepreneurship. The responses gathered from the questionnaire were then tabulated and subjected to appropriate statistical test to identify the majorly significant variables. Then, on the basis of available literature in the field and the findings on the basis of analysis of the data, conclusion was drawn identifying important factors that impact social entrepreneurship and the ultimate influence of social entrepreneurship for the betterment of the Indian society.

Keywords: *Social Entrepreneurship, Social Enterprises, Socio-Economic Development, NGO, Society*

INTRODUCTION

Despite the predominant focus on 'wealth creation' as a perspective in entrepreneurship research (Welter et al., 2017), we are witnessing the rise of new streams of inquiries that examine the social value-added role of entrepreneurship (Zahra and Wright, 2016; Williams and Shepherd, 2016) and the notion of entrepreneurship as potentially emancipating (Rindova et al., 2009). Drawing on the 'entrepreneurship as emancipation' perspective (Rindova et al., 2009), I examined emancipation –

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– “the act of setting free from the power of another” (Rindova et al., 2009: 478), and in so doing expand the range of restrictions from which emancipation can be gained to include other forces such as enthrallment to ideology (Juergensmeyer, 2017; Sanín and Wood, 2014), as well as one’s own past behaviour and the social restrictions it may impose on one’s present and future.

Social entrepreneurs are those who recognize social problems and start working in a different way to organize, create, and manage a venture to resolve social problems. People who intend to positively influence the life of poor, helpless, miserable, and needy people are social entrepreneurs (Horsnell & Pepin, 2002). Currently social entrepreneurship is one of the leading demands of the society.

Entrepreneurship research has conventionally focused on ‘wealth creation’ as the fundamental objective of entrepreneurial activities (Welter et al., 2017). In recent years, there has been an increasing interest in the broader social value of entrepreneurship (Zahra and Wright, 2016). Rindova et al. (2009) called for new research directions that considered entrepreneurship “outside of its traditional contexts including the activities of explorers, artists, and scientists...to migrant workers turned winemakers” (p. 489); those that focus on the pursuit of freedom and autonomy and that seek to disrupt the status quo and the social order. They believed that entrepreneurship research required “a bit of emancipation” [of new theoretical perspectives and contexts] (2009:

478) and proposed the notion of entrepreneuring as emancipation. Rindova and her colleagues (2009: 478) used the term emancipation to describe “the act of setting free from the power of another” (Webster’s Revised Unabridged Dictionary, 1996). One’s freedom and autonomy, however, can be restricted not only by the power of another (person, organization), but also by other forces.

Social entrepreneurship is becoming more and more popular amongst non-profit organizations and also one of the most misunderstood concepts by the majority of people. Many people consider it as a business for making money along with social cause and many consider it as a non-profit business just for the well-being of the individuals. Social entrepreneurship in its true sense is much more than these two concepts.

Social entrepreneurs at times work individually to bring a major change in the lives of the destitute, poor, miserable, and needy people (Boschee & McClurg, 2003). Success of any business or any activity is dependent on many skills which can be accumulated by gathering many individuals with different skills. Therefore, for ideal social enterprises it is necessary that many individuals with different skills may start the venture to run a project successfully (Light, 2006). Social entrepreneurship is dependent on many factors like the position of social entrepreneur, education level, financial position, and relationship with government officials. The methodology followed by social entrepreneurs may or may not have any materialistic motive.

LITERATURE REVIEW

The last several decades have left foot prints of many successful entrepreneurs and their enterprises. The popularity of entrepreneurship can be shown with the interest expressed by students to create their own businesses. Besides, many young graduates

are embracing entrepreneurship as a career rather than lining up to be hired in large corporations (Scarborough,

2012). There is no consensus on the definitions of entrepreneurship as there has been no single opinion on even one. Kuratko & Hodgetts (2004), stated that entrepreneurship is a dynamically oriented process of change and creative innovation.

Social entrepreneurship is an upcoming area which is characterized with an acute literature gap, insufficient consensus on definition, inadequate frameworks, and acute shortage of empirical data (Mair & Marti, 2006) (Nicholls, 2006). The difference between social and business entrepreneurship has been much theorized and defined by different researchers. As per researcher Austin (2006) the main difference between social entrepreneurship and other traditional forms of entrepreneurship is in the purpose the company is established. This was supported by Cukier, et. al, (2011) who mentioned that social entrepreneurship has a primary emphasis on activities with social purposes whereas business or traditional entrepreneurship focuses on activities with profit making aim. Innovation designed to uplift societal wellbeing supported by entrepreneurial organizations is the essence of social entrepreneurship (Nichols, 2006). Similarly, an individual or group of individuals who search for big change through unconventional ideas in what or how governments, non-profits, and businesses do to solve significant social problems are referred to as social entrepreneurs (Light, 2006). Various research scholars found the definition of social entrepreneurship debatable as there is difficulty to reach consensus on what to include and exclude in/from the definition. Social entrepreneurship encapsulates making up of something innovative rather than simply the imitation of existing structures or paradigms.

Social entrepreneurship has been defined both in narrower and broader perspectives. Dees & Anderson (2006) stated that social entrepreneurship includes a wide vista of activities and institutions and hence they argue for a holistic or umbrella approach to the concept. Some researchers even believe that social entrepreneurship is an innovative and socially value-adding activity that can occur in non-profit, business and/or public sectors as per Austin et al., 2006. Yujuico (2008) stated that institutions such as government and charitable NGO's should not be included as social entrepreneurs. This is because those entrepreneurs adapt to a fine line between for-profit and non-profit organizations for means. Alternatively, the rationale behind the exclusion of such organizations is mainly because for-profit organizations are not primarily funded by revenues from tax collection or charitable aid and are hence fully dependent on the volatile market dynamics.

PURPOSE AND OBJECTIVE OF PAPER

The major problem of India is poverty and illiteracy. These basic issues give rise to further related serious problems. Health and Unemployment issues are quite grievous. Government is taking many steps but government alone is not enough to resolve all the issues. To resolve all the major issues cropping up from the societal ills of India social entrepreneurs are required. It is also very important that people who have the ability to become social entrepreneur may understand the need of social entrepreneurship and

realize the fact that they should initiate social entrepreneur ventures (Dees, 2001).

Majority of the social entrepreneurs concentrate only on working for the benefit of the people without marketing their venture or getting support from others. Another issue that is very important for the social entrepreneurship ventures is the issue of sustainability as discussed before that such ventures have to choose one of the two approaches either to earn profit to resolve the issue of sustainability or to work only for the betterment of the society without earning profit but keeping the future of the venture at stake.

Many people feel difficulty in becoming social entrepreneurs. The basic reason is lack of education and lack of spirit to help others. Many people feel that it is necessary to be rich person to become a social entrepreneur or one must have strong links with the government officials to work smoothly. The challenge is to uncover the hidden factors that motivate a person to become social entrepreneur. It is important to uncover specific entrepreneurial strategies that are required to become a successful social entrepreneur (Pelchat, 2005).

The need for social entrepreneurs is increasing day by day in India. The social entrepreneurs like Ajaita Shah, Jeroo Bilimoria etc are working to eradicate economic disparity. As a result of decreasing economic disparity the increasing crime rates will decrease. Another important issue is that the concept of volunteerism is extremely weak in India. Social entrepreneurship ventures require volunteers for their support. Volunteer participation in the social work is the need of Indian Society because people who are well to do if they want to help the needy they can bring a big change in the society. Hence it is quite imperative to understand what the underlying factors that impact Social Entrepreneurship are.

RESEARCH METHODOLOGY

To find out the significant variables that have major impact over social entrepreneurship a questionnaire comprising seventeen questions was circulated. The Questionnaire was developed from the available literature review. The questionnaire was then completed by teachers of different universities and NGO workers in India. Judgemental Sampling was used to get the samples. The variables in the questionnaires were chosen on the basis of prior studies that have been conducted in the field of social entrepreneurship.

On the basis of the answers of the respondents, a regression analysis was conducted. Regression analysis was chosen because it shows the dependence of dependent variables over independent variables. Furthermore, the correlation value is also calculated which shows that what is the correlation of social entrepreneurship with the chosen variables. Along with correlation, explained variation is also calculated which shows that up to what extent independent variables define dependent variables.

DATA ANALYSIS & FINDINGS

Out of all the sixteen independent variables only seven variables have shown major impact on social entrepreneurship. The value of correlation coefficient is almost seventy percent and the value of explained variation is fifty percent. This shows that the chosen

variables have seventy percent influence on social entrepreneurship and fifty percent dependence is explained by these variables. The results of the study are as follows.

In the above mentioned equation SE, ES, EP, FP, CA, SNO, UFP, and LS stands for social entrepreneurship, educated society, educated people, financial position, change agent, search for new opportunities, unimportance of financial position, and large scale respectively. The model fitted shows that educated societies and educated people are very important for success of social entrepreneurship. Along with educated societies and educated people social entrepreneurs who are change agents because of their search for new opportunities are also very important for the growth of social entrepreneurship.

As far as financial position and financial position of social enterprise with the concept of individualism is concerned these variables have a negative impact. This negative impact shows that financial position of social entrepreneur himself is not very important but the financial position of social enterprise is very important with collective efforts. Collective efforts here refer to the collaboration of different people having different skills. People with different skills are very important for the success of any social entrepreneurial venture. The next model mentioned below shows the correlation coefficient and explained variation.

MODEL SUMMARY.

	Unstandardized		95% Confidence Interval for B	
	B	Std. Error	t	Sig.
(Constant)	3.900	1.064	3.667	0.000
Need of Society	.054	.062	0.871	0.390
Educated Societies	.142	.062	2.420	0.015
Educated People	.109	.073	2.381	0.022
Financial Position	-.121	.056	-2.129	0.037
Sustainability in SocialValues	.082	.062	1.321	0.192
Change Agent	.229	.079	2.939	0.005
Women Involvement	-.072	.057	-1.321	0.195
Search for newOpportunities	.246	.092	2.675	0.008
Innovation	-.085	.086	-0.995	0.322
Role of Other similar people	-.014	.052	-0.223	0.825
Financial Position is Unimportant	-.213	.058	-3.577	0.002
Collaboration with Govt. Org.	.073	.067	1.116	0.269
Profit making forSustainability	.075	.060	1.235	0.220
Involvement of all classes	.072	.068	1.061	0.292
Publicity of Venture	.097	.073	1.321	0.190
Large Scale rather than individual	-.113	.056	-2.024	0.047

On the basis of above mentioned table the model fitted can be explained with the help of following equation.

$$SE = 3.667 + 2.420ES + 2.381 EP - 2.129FP + 2.939CA + 2.675SNO - 3.577UFP - 2.024LS$$

MODEL SUMMARY

Model	R	R Square	Durbin-Watson
1	.702 ^a	.533	2.094

The above-mentioned model shows that independent variables have 70% effect over dependent variable that is social entrepreneurship. The next value which is R square shows that independent variables are fifty percent explaining the dependent variable. According to the overall fit model it can be said that social entrepreneurship is seventy percent dependent on the above mentioned independent variables and these variables are fifty percent explaining the dependent variable. All other factors have very low impact over social entrepreneurship but still it is not possible to ignore other factors as these are somehow act as intervening variables.

CONCLUSION

This need for social entrepreneurship in India is growing in the areas of poverty alleviation, education and health sector. One very important factor that is continuously being ignored in India is the need for institutes for disabled. This side has ever been ignored by government as well as by the philanthropists.

Despite the fact that social enterprises are facing severe challenges not only from the environment but also from the so-called elite of the society but still they are improving. This improvement is a very positive sign. Social entrepreneurs and social enterprises must be well structured institutionalized and have enabling accountability mechanism.

On the basis of results of the research it can be said that education is a very important factor for the success of social entrepreneurship ventures. This concept is high in highly educated societies and according to the responses financial position has also significant role. This shows that money is necessary for the growth and success of social enterprises but at the same time it is negated showing that it is not necessary that the person starting social enterprise must be rich.

From the findings of the research, another thing that can be observed is that social entrepreneurs are the change agents and have the ability to bring a major change in the society. The final significant variable shows that success of social enterprises is dependent on the concept of collectivism. Here this response of the respondent highlights that people who work in group run the organization in a better way rather than those who are managing individually.

Summing up the whole research it can be said that the concept of social entrepreneurship is the need of the developing societies like India and it can flourish if the society is educated and educated people support this cause. Financial support is also very

important and the concept of synergy applies to social entrepreneurship. Thus, to see India as a successful, peaceful country, it is important for the educated and well to do people to work for the noble cause of resolving the problems of the helpless.

RECOMMENDATIONS

On the basis of findings of the research that has been conducted to analyze the important factors for the success of social entrepreneurship and its impact on society, the following guidelines are recommended.

- Educational institutes must promote the course of social entrepreneurship in their degrees to create awareness among the people of social entrepreneurship.
- There should be training institutes for the development of the human resource working in these organizations.
- Capacity building of people in all the fields is very important but it is the need of the hour in the area of social entrepreneurship.
- Educated people must be motivated to join the noble cause. Without the support of literate people it is difficult to reach desired goals.
- People who want to become social entrepreneurs should join hands to work collectively to get better results of their ventures.
- Marketing of such enterprises is very important because without publicity it is difficult to get donation, volunteers, and other supports which social enterprises can get from capable persons.
- It has been observed that promoting the spirit of volunteerism to support social enterprise is critical to its growth and consolidation. Therefore, schools, colleges and universities must be mobilized to inculcate the spirit of volunteerism whereby linkages can be established.

LIMITATIONS

Few of the limitations are as stated below:

- Majority of the respondents were from the state of West Bengal
- The sampling used was Non Probability Judgemental Sampling
- The awareness level about Social Entrepreneurship is still not as intensive amongst the teachers in various universities
- Due to the paucity of time, much more responses could have been collected and a more in- depth study could have been done.

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Challenges and Opportunities of Rural Marketing: A Study of Bankura District, West Bengal

Saroda Chatterjee*

ABSTRACT

The most lucrative concept that evolved from the concept of financial transaction is marketing which engulf two important aspects within it like business development and client satisfaction. Earlier business development was only resource seeking but now due the gradual passage of time and impact of marketization it has become efficiency seeking. Since the inception of barter concept in earlier days, the idea of transaction and marketing came into vogue. It does not confined to urban areas, industrial areas and rich businessman but it also spread its umbrella in rural areas for rural upliftment and development. In the age of digitalisation everything should be at par with the new concepts and ideas in marketing. So rural marketing, as one of the developing aspect needs to be more energised and well equipped with more innovative marketing strategies. (Malik and Krishnan, 2014). The paper focuses on the various challenges and opportunities of rural marketing by considering the feedback taken from Bankura district of West Bengal. 115 sample size is taken randomly from various villages of Bankura. Beside this the paper consists of 4 typical examples to evaluate the actual scenario of rural Bengal. Government of India undertook various initiatives to nurture the marketing strategies of rural marketing.

Keywords: *Resource Seeking, Business Development, Strategies, Client Satisfaction*

The Rationale behind the Survey

In framing the Focus Statement, it can be said that

“Rural India, market of the Future”

(Source: www.thehindu.com/business/companies/Rural-India-market.../article15618144.ece)

INTRODUCTION

In the contemporary age of globalisation rural market is in a significant position and attract the attention of marketers of about 68.84% population of India which reside in 6,38,000 villages and overall development of economy has resulted into substantial escalation in the buying behaviour of the rural communities and contribute nearly half of the country's GDP. Due to green revolution, the rural areas are consuming a large

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quantity of industrial and manufactured products. In this way rural market offers opportunities in the form of large untapped market, increase in disposable income, increase in literacy level and large scope for penetration. To take the advantage of these opportunities, a special marketing strategy 'Rural Marketing' has emerged. *Rural marketing is a practise of mounting, pricing, promoting, and distributing rural merchandises leading to desired interchange with rural consumers to satisfy their needs and demand, and also to accomplish organizational purposes.* This paper tries to understand the rural market, importance of rural marketing and status of rural market at Bankura, district of West Bengal. The main aim of the study to observe the potentiality of Indian rural markets and find out various problems are being faced by rural marketer. Consumption arrays in these areas are slowly changing to progressively resemble the consumption patterns of urban areas.

(Source: [www.ijemr.net/.../RuralMarketingStrategiesIssuesAndChallenges\(116-22\)db87d32d-...](http://www.ijemr.net/.../RuralMarketingStrategiesIssuesAndChallenges(116-22)db87d32d-...)).

The rural sector reached at a healthy stride of about 8-10% p.a and is projected to enhance US\$ 100 billion in consumption demand by 2017. Rural customers are particularly aspiring to buy branded, high quality product which is specifically mentioned in the 3rd Annual Edition of Accenture Research, "Masters of Rural Markets:

From Touch points to Trust points - Winning over India's Aspiring Rural Consumers." Rural India offers a healthy investment prospect for private companies. Some of India's largest consumer companies serve one-third of their consumers from rural India. Market research firm Nielsen expects India's rural FMCG market to reach a size of US\$ 100 billion by 2025. Another report by McKinsey Global Institute forecasts the annual real income per household in rural India to rise to 3.6 per cent 2025, from 2.8 per cent in the last 20 years.

Exchange Rate Used: INR 1 = US\$ 0.0155 as on June 20, 2017

The paper focuses on the rural marketing strategies and its challenges of Bankura district of West Bengal. Bankura is economically underdeveloped and is mostly dependent on agriculture. Almost 70% of the district's income is generated through agriculture where 80% of the farmers are small & marginal in nature. Bankura is one of the most draught prone district of West Bengal. However due to protective irrigation system, land reforms and use of high fertile & hybrid crops the district is now not so poor as it was previously. Also, cottage and small-scale industries, e.g. Stone-crushing, Weaving, Oilseed-crushing, handicraft units like Dokra, Terra-cotta, Baluchari Sari etc. plays a key economic role of the district. In 2006, the Ministry of Panchayati Raj named Bankura one of the country's 250 most backward districts (out of a total of 640). It is one of the nineteen districts in West Bengal currently receiving funds from the Backward Regions Grant Fund Programme (BRGF).

**Table 1: Rural Urban Penetration–Rural Index 2005*
(Some Consumer Durables)**

Criteria/Products	Rural House Holds (000) Number (%)	Urban House Holds (000) Number (%)	Total House Holds (000) Number (%)
Car/Jeep or van	1603 (1%)	7241 (12%)	8844 (4%)
Two-wheelers	16195 (11%)	25813 (42%)	42008 (20%)
Colour TV sets	18152 (12%)	38572 (63%)	56724 (27%)

Criteria/Products	Rural House Holds (000) Number (%)	Urban House Holds (000) Number (%)	Total House Holds (000) Number (%)
Refrigerators	11014 (8%)	29515 (48%)	40529 (20%)
Washing Machines	1870 (1%)	14447 (24%)	16317 (8%)
Room air-conditioners	76 (0.025%)	2936 (5%)	3012 (1%)
Bicycles	80533 (55%)	36835 (60%)	36835 (60%)
Gas stoves	27390 (19%)	40964 (67%)	68354 (33%)
Pressure cookers	37883 (26%)	45192 (74%)	83075 (40%)
Ectricity Connection	59928 (41%)	46981 (77%)	106909 (52%)
Drinking water In the household	39549 (27%)	35073 (57%)	74622 (36%)
Fuel LPG/electricity/ biogas	8544 (6%)	26090 (43%)	34634 (17%)

(Source:www.yourarticlelibrary.com/marketing/rural-marketing/rural-marketing...and.../4872...)

CONTEXT

In modern times industries have become very important part of an economy. Industries provide employment to large labour force and contribute significantly in the total national wealth/income. Industrial growth changes the economic structure of an area rapidly. In India, industries are the second most important sector of economy after agriculture. The rapid population growth during the last 50 years in India is the major challenge of our economy. At that time industrial development is an utmost necessity to manage of our economy. The economy of Bankura is mainly agrarian. Yet there is a large scope of employment generation through industrialization. Bankura district is one of the backward districts of West Bengal. Here workers are higher in number but due to lack of working sector employment generation and food security is hampering at the different parts of the district. In this situation industrialization is urgent necessary work to develop the district. The district has to serve 3 million people through the markets located at all major place of Bankura. In almost all major towns and villages of the district market facility is available. In Bankura town two mini shopping mall (Bankura wholesale consumer shop & Apna Bajar) and more than one thousand shops & showrooms are

available. In Bishnupur, Khatra, Sonamukhi, Kotulpur, Barjora also several markets are running. Wholesale markets of Nutanganj of Bankura, Bishnupur and Jhantipahari are well known. Markets of “Baluchari Sari”, Teracotta and Dokra crafts are present at Bankura & Bishnupur town.(Source: bankura.gov.in/departments/dic/DIC_HANDICRAFTS.html)

Sl.No.	Name(National Awardees who have brought accolades for the district)	Year	Craft
1	Sri KalipadaKumbhakar	1988	Terracotta
	Vill& P.O. - Sendra		
2	Sri Gopal Nandi,	1988	Coconut Shell
	Shankhari Bazar, Madan Mohan Para, Bishnupur, Bankura		
3	Sri JuddhaKarmakar	1988	Dokra
	BiknaShilpadanga		
	P.O. Keshiakole, Dist - Bankura		
4	Sri Nayan Dutta,	1988	Stone Carving
	Vill& P.O.- Susunia (Hill)		
5	Sri HiralalKarmakar	1988	Stone Carving
	Vill - Simulberia, P.O.- Jorehira		
6	Sri ManikKarmakar Vill& P.O. - Susunia (Hill)	1988	Stone Carving

OBJECTIVES

- To discuss the issues and challenges of rural marketing
- To study the problems of rural marketing of rural Bengal
- To study about the rural marketing environment of Bankura

LITERATURE REVIEW

Singh (2017) says that the notion of rural markets in India is still in evolving shape, and the sector imposes a variety of challenges, including understanding the dynamics of the rural markets and varied strategies to attract and retain the rural consumers. This paper is an attempt to highlight and underline major opportunities and challenges in Rural India with respect to marketing of major business products.

Gosavi & Samudre (2016) indicates that the primary objective of the study is to find out the influence of selected challenges on the perceived success of entrepreneurship and small businesses present in rural areas. The study was conducted by using the

quantitative technique with main focus to identify the challenges for Marketing. This paper also explains the Opportunities and Challenges for the potentiality of Rural Marketing.

Dhillon (2015) explained that in rural market many companies have entered and proved themselves with proper understanding of the market an innovative marketing idea. Moreover it consists of the challenges that the companies have to face and opportunities that companies get in rural marketing.

Talwar et.al (2014) explained in their paper that due to green revolution, the rural areas are consuming a large quantity of industrial and manufactured products. In this way rural market offers opportunities in the form of large untapped market, increase in disposable income, increase in literacy level and large scope for penetration. To take the advantage of these opportunities, a special marketing strategy 'Rural Marketing' has emerged. This paper tries to understand the rural market, importance of rural marketing and status of rural market. The main aim of the study is to observe the potentiality of Indian rural markets and find out various problems that are being faced by rural marketer.

Majumder & Baxi (2013) said that rural marketing still toady has not been received importance as it should be. Multinational companies who are dealing with the Consumer Durables and Fast Moving consumer goods considered rural market as most important place for their products. There is significant difference in the urban and rural market in India. Rural consumer is different as to Urban consumer in terms of Income, Education, Family back ground and other demographic aspects. Marketers have to modify their marketing initiatives for various marketing functions and tuned up their all four P's of marketing with reference to requirement of specific Rural Market. The present paper examines the challenges of rural marketing. Various companies are facing problems of four A's. Affordability-low income of rural consumer, Adoptability-conservative mind set, Awareness- marketing communication to the illiterate and less educated people and Availability-difficult and costly distribution system. But many marketers modify their marketing communication programmes, changes in product size and making product affordable and durable as per consumer's expectation.

Katiyar (2000) said that in recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities.

RESEARCH METHODOLOGY

The study will be a combination of both qualitative and quantitative approach.

Population: Villages of Bankura district, West Bengal

Sampling Method: Simple Random Sampling

Sample Size: 115 rural consumers

Surveys:It concerns about the marketing strategies that the samples adopted for marketing their products, **Personal Survey Method:** It is based on personal interviews has been selected. Personal Interviews have been selected because in such surveys

detailed information can be collected.

Structuring of Questionnaire and type of Questions: The questionnaire will be structured carefully to elicit both facts and attitude and opinions of the respondents. (Encl: Annexure)

DISCUSSION

Findings & Data Analysis

Analysis of this study will be done on the basis of various charts & diagrams. *In this literature questionnaire is a vital part.* Therefore, the questionnaire was very useful & timesaving in the initial stage, although considerable care should be taken in the construction and eventual interpretation. Moreover the surveys will be followed-up by shorter quantitative informal interviews based on the initial findings.

Chart 1

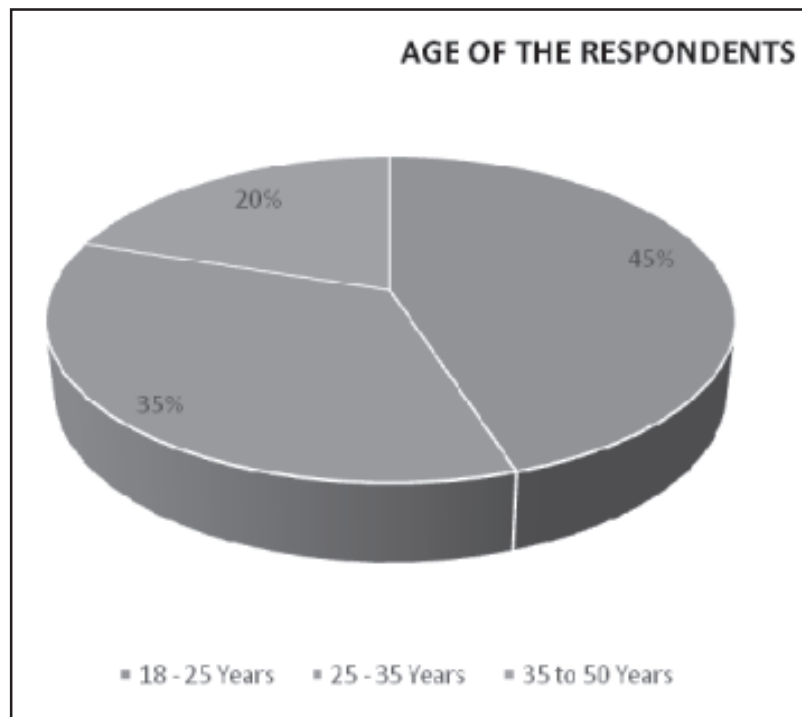
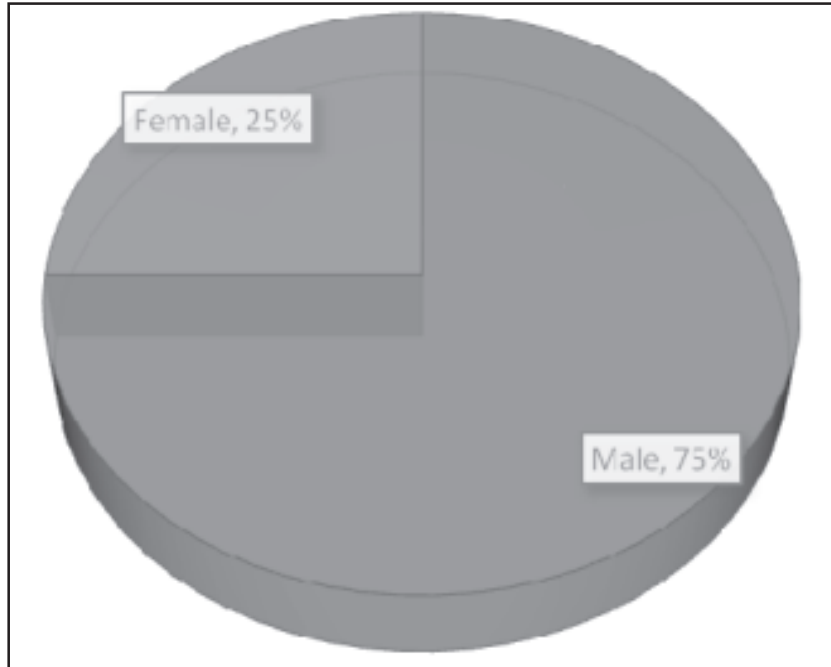


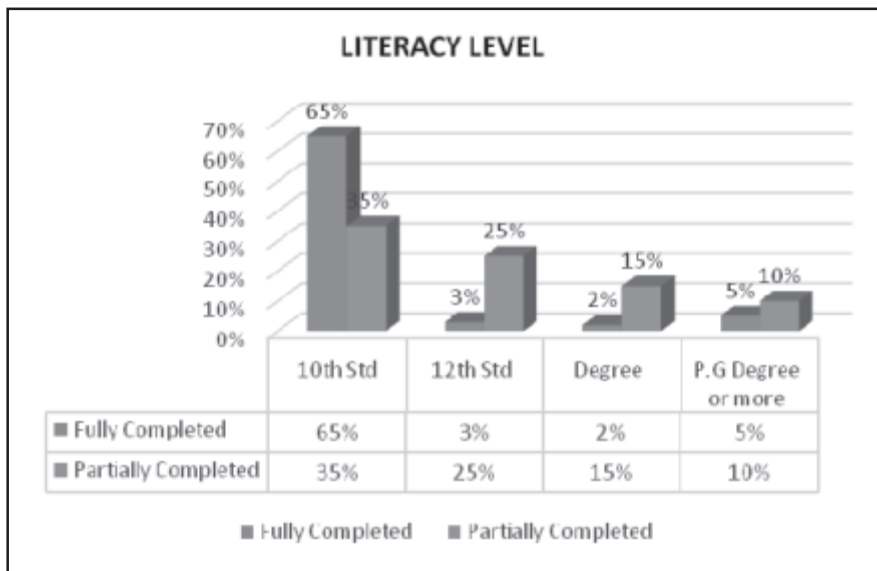
Chart 1 will enable us to know the age of respondents of the study conducted in the Bankura district of West Bengal. 45% of the respondents who respond proactively is of age between 35 to 50 years. They responded based on their experiences and contributions in the rural economy.

Chart 2



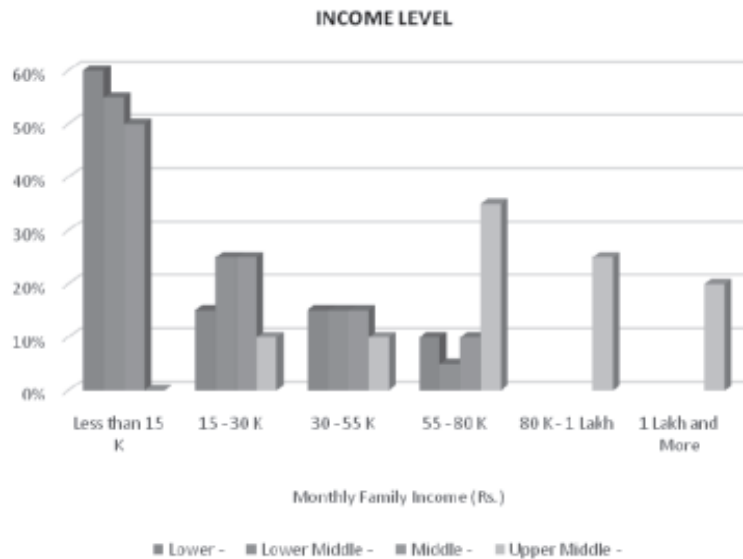
Among the respondent 25% are female respondent and rest 75% are male, who actually looks after the family by running business by other vocation.

Chart 3



Here in chart 3 the literacy level of the respondents are depicted. About 65% of respondents have fully completed 10th level whereas only 5% fully completed their graduation. So these indicate that more literacy awareness programmes must be initiated so that people can gain adequate knowledge about the products and services.

Chart 4



The income level is a major factor which affects rural economy. About 60% of the population is of low income level. Only 30 to 10% considered to have high income level.

Chart 5



Here Customized marketing strategies that affects the growth of the company in the rural market is depicted. About 30% strongly agree about this whereas 25% remains neutral which shows lack of knowledge about the product in the market.

Chart 6

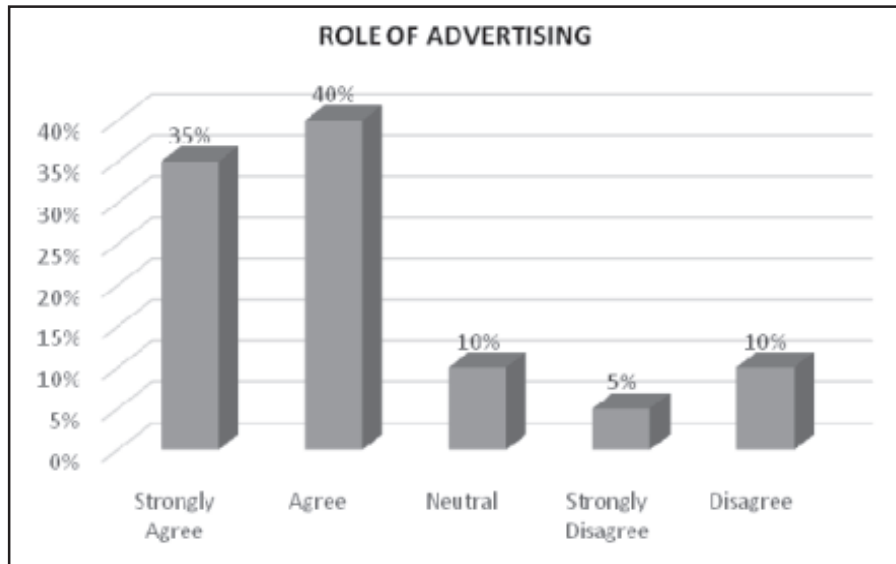
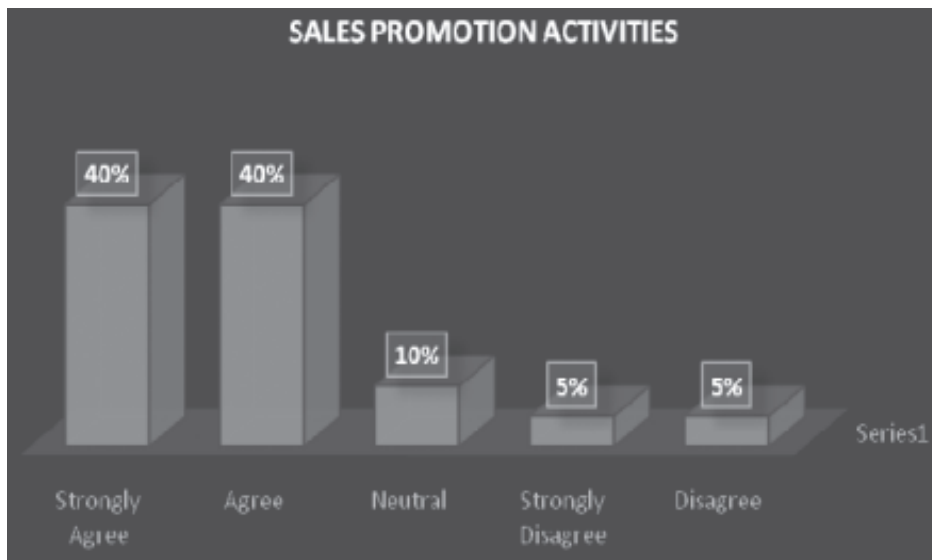


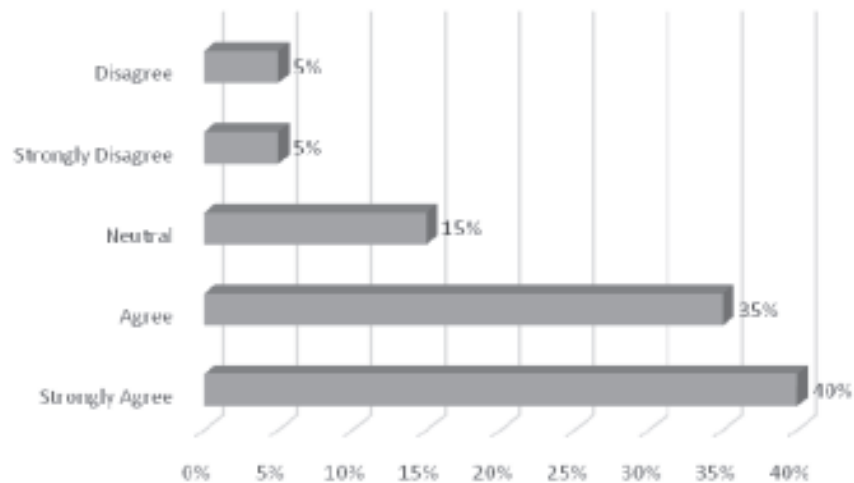
Chart 6 shows that advertising affects the sales figures of the company, which was strongly acceptable by 35% of population and 40% agreed about this fact. So the rural market needs advertisements at a large scale for its promotion.

Chart 7



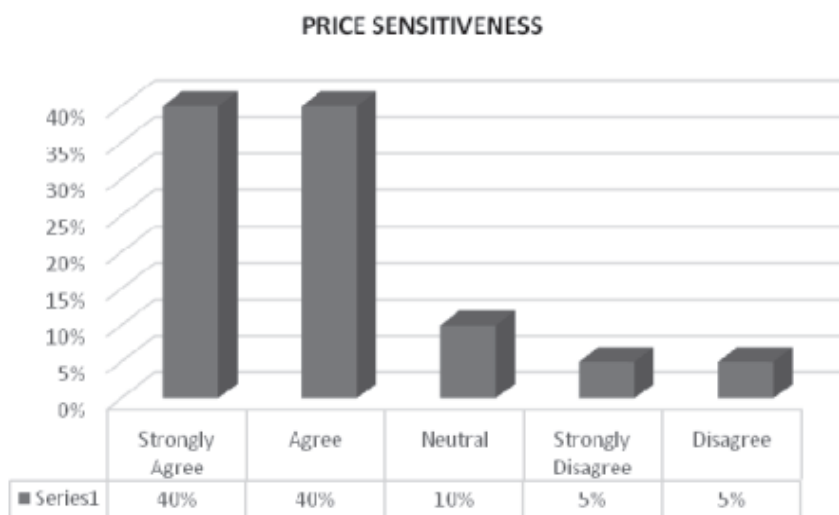
Sales promotion activities in rural areas are totally different than urban areas. About 40% agreed and strongly agreed about this fact so proper promotional activities and specific devices should be used so that the rural economy could gain a high competitive edge.

Chart 8



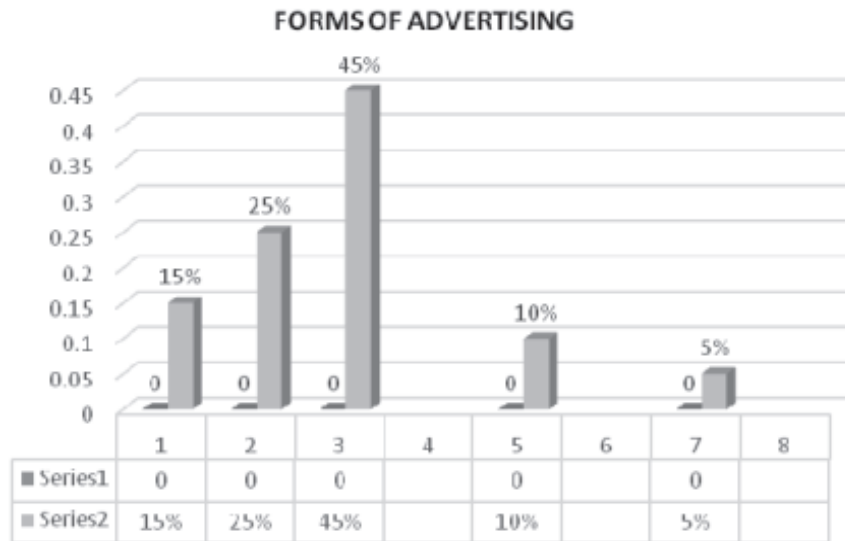
Rural marketing is more challenging and more customized products are required to satisfy the needs of the rural customers. The demand and supply depends on the availability of more customised product. A high percentage of population say about 40% strongly agreed about this.

Chart 9



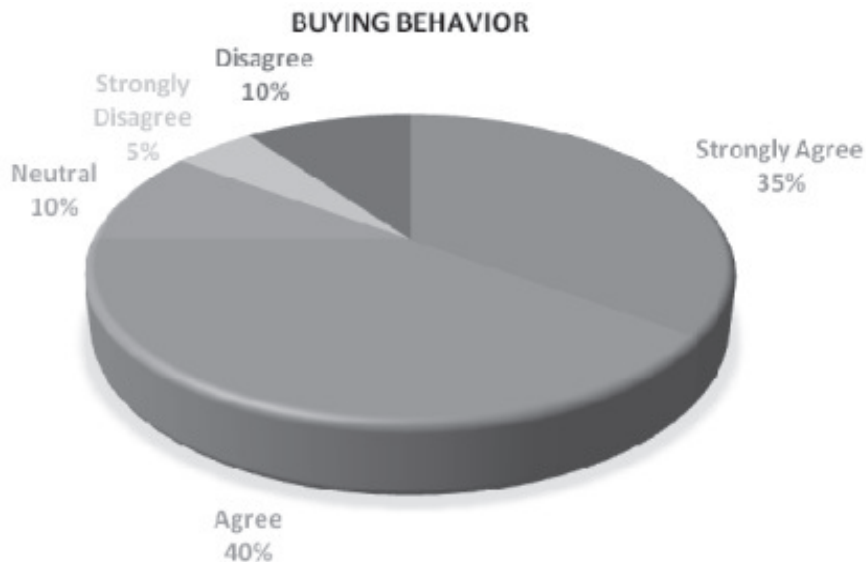
Rural consumers are more price sensitive, the image of the brand doesn't get affected by low quality products, where 40% agreed about this fact. This indicates the mind-set of the population to buy a product from the market.

Chart 10



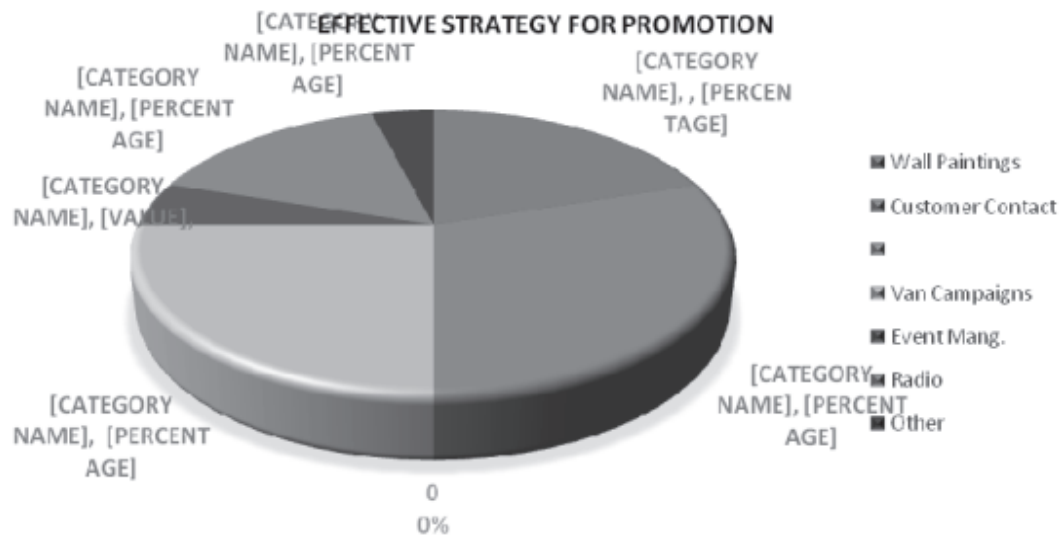
45% of the respondents said that they prefer their traditional events like melas and fairs than media and print media as forms of advertising. This affects the development of rural market.

Chart 11



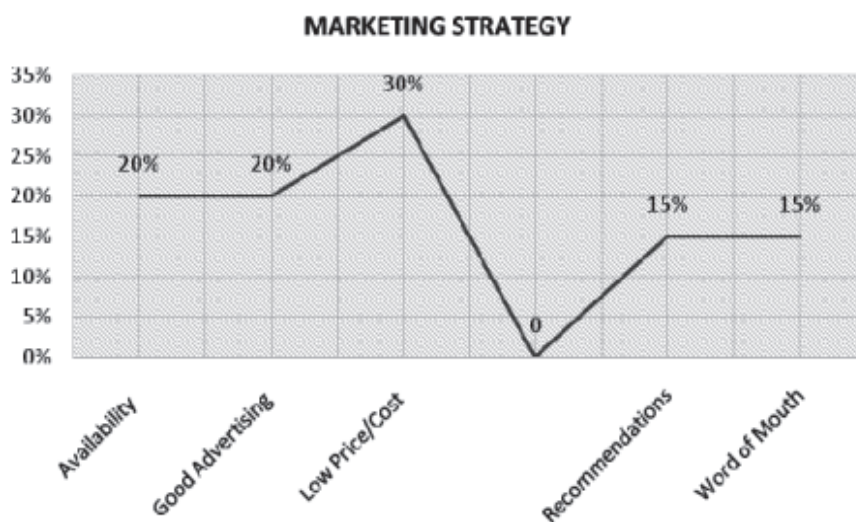
The buying behaviour of rural consumer still prefers to buy products from HAATS and Mela's, due to their price sensitive nature. About 35% strongly agree about this and 40% totally agree.

Chart 12



The most effective strategy for the promotion of the product is shown in chart 12. Where 30% prefer customer contact, 25% prefer van campaign, 20% wall paintings which shows that they prefer traditional outfit than modern aspects. Hence only 5% says about event management.

Chart 13



Low price, good advertising and availability of the products are marked in high percentage which indicates that these marketing strategy or scheme dramatically affects the sale of products.

KEY ISSUES & CHALLENGES

Despite of several attempts made by renowned companies to enter in to the rural market, the ultimate conclusion is failure due to high amount of investment and longer gestation period for getting dividend in terms of acceptance of product amongst rural customers. (source: search.ebscohost.com/login.aspx?direct=true&profile=ehost...site...). Barriers of rural marketing especially in case of Bankura district has been explained with reference to the response of 4P's like product, place, price and promotion (adaptability, affordability, availableness & awareness – 4A's)

(ref:www.academia.edu/4289939/CHALLENGES_OF_RURAL_MARKETING_IN_INDIA)

Moreover the uniqueness of rural markets and rural consumers tends several minor challenges to marketers in reaching them effectually. There are a large number of trifling villages which are not easily accessible because of all weather roads. The main challenges of rural marketing are discussed below:

- Transportation Problems
- Warehousing problem
- Inadequate media coverage
- Less knowledge
- Seasonal demand

Local habitants of Bankura district had given their feedback regarding the rural marketing aspects. They clearly said that though many changes are made for the development of rural economy still many are remain unearth. To dig out the opportunities initiatives should be taken to remove the obstacles. The challenges are categorised into two segments like major barriers and minor barriers. As per the major barriers or challenges concerned adaptability is at the top of the iceberg.

Adaptability

As per the response of the rural consumer of Bankura district they are not so adaptable with sudden changes in the market. Basically their taste & preference matters, which includes their mind-set and consumer behaviour or attitude towards different products. The rural people is accustomed with distinctive life style and hence it takes years to modify their habits and create an attachment towards several issues in the areas of health and sanitation. Again the durability of the product is another aspect. The rural consumers seeks durable product that should be recyclable. Rural consumers are very sensible towards their return in terms of offerings. The literacy level has direct relationship with the consumer literacy level. More than half of rural population are illiterates. Higher the literacy level higher wills the adoptability and publicity of the product which ultimately results into the high level of penetration also.

Accessibility

For continuation about the discussion of rural challenges one of the major aspect is accessibility of the product. It takes a longer time than usual to reach the product into the hands of the consumers. These problems crept because of long distribution channels. High Profit Margin and Delay in delivery are very prone to such adversity, which actually demoralise the mind-set of the rural consumers.

Awareness

The next aspect is awareness about the product and its usage value. The respondents said that many of local consumers are not at all aware about the products they will buy or the product that are new for the market. They stick to their traditional ideas and hence the buying pattern also remains outdated. So they need to converse their purchasing behaviour. Moreover personal selling is not used in rural India for various FMCG products as well as for certain consumer durables. In discussion about the awareness aspect media plays a vital role. The advertisements should be in local language which will attract rural consumers. But it is a very cost effective issue. The availability of electricity in rural areas is so low that also it affects the spread up of media coverage. Awareness also leads to utter lack of training of the sales personnel even dealers of rural market, which has an adverse effect. This adverse impact leads to the creation of deleterious image both for the product and the organisation.

India

	Total	Rural	Urban
Birth Rate¹	22.5	24.1	18.3
Death Rate¹	7.3	7.8	5.8
Natural Growth Rate¹	15.2	16.3	12.5
Infant Mortality Rate¹	50	55	34
Sex-ratio	940	947	926
Population in 0-6 age group	13.12	14.11	10.93
Child sex-ratio	914	919	902
Literacy rate	74.04	68.91	84.98%

(1=SRS 2011)

(Source: www.dnaindia.com/.../report-literacy-rate-at-71-in-rural-india-86-in-urban-survey-21...). In India the literacy rate of rural areas is much less than that of urban which is about 68.91%.

Affordability

Affordability, another hindrance for rural India, is mainly focussed on the income level or earning capacity of the consumers.

WIDENING DIVIDE

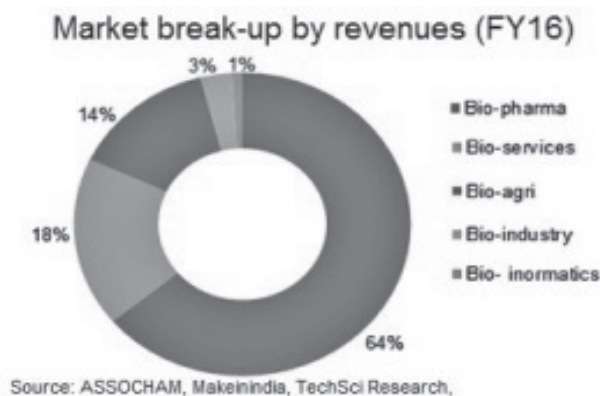
Per person monthly spending (₹)	Rural		Urban	
	Poorest 30%*	Richest 5%	Poorest 30%*	Richest 5%
Milk and milk products	58	331	111	422
Egg, fish and meat	42	201	66	200
Fresh fruits	14	118	30	244
Education	20	278	54	908
Medical	43	494	59	659
Durables	17	586	26	1287

* Maximum limit, Source: NSSO 2013

Here a table is given where rural per person monthly spending of rural areas is shown in comparison with urban India.

In rural India occupational demographic shows that a handful number of consumers are still contingent upon the agriculture which generates a seasonal demand of various products in rural India.

Exhibit 1



In Exhibit 1, a market breakup of the financial year 2016 is given where several parameters of rural marketing aspects are depicted where Bio-Agri captures the major market having 64%. This status of rural India indicated that still there needs various initiatives and sound policies for the improvement of marketing in rural India. Research says that a high percentage of rural consumers earn their livelihood by cultivation and next high are wage earners. So it's beyond their capacity to buy branded high quality product from markets so they prefer buying from local haats or mandis. Hence here also the rural market lag behind.

OPPORTUNITIES

Adaptability

A distinctive characteristics of rural consumers as per the study concerned is that they are very product sensible. Due to lack of confidence they always hesitate to adopt new brand and new product. So, marketer has to provide an experience of the product. Proper demo of the uses of the product by expert personnel will influence others to take interest about the product. Sound modification and free complimentary products will speed up the adaptability of the products.

Availability

Opportunities regarding the availability of the products include two main type of distribution strategy. Spoke and Hub are typical type of distribution strategy is to adopt by the rural marketer for making the product availability within a few span of time. Extended credit facility for specific dealers will enhance the procuring power and can go for all variants of the product. Indian government should take the responsibility to build up a sound infrastructure for rural India which will reduce the cost of distribution.

Awareness

In discussing about the awareness aspects sales promotion strategies, point of sales and message design are three important parameters which should be properly synchronised to enhance the sale level of rural market. It is presumed that personal selling concept is not acceptable by the rural consumers, so one should comprehend its significance and should use to create awareness about the product.

(Source: International Journal of Commerce, Management and Technology Volume 1, No. 2-4, April–June 2013 ISSN: 2320 -7787 www.midastouchjournals.com Page 52)

Affordability

Employment facet is another aspect which affects the affordability of rural consumers. Government of India should look after this matter sympathetically. It should provide regular employment facility to the real population to speed up the zeal of the rural consumers. Tax rate should be much lower so that the rural consumers will not face any difficulties. Government should spend high amount to the education, which in turn makes the population employable, which affects its purchasing power.

Generally rural marketing serves the basic needs of the rural consumers. Language is the most vibrant factor for rural marketing as most rural people are not well conversant

with English. So whenever digital applications will be made for rural marketing internet penetration is a must which requires English language. Also as per the respondents' feedback about 2% of them are simply conversant with English and the rest 98% are totally not conversant with English. Hence it's quite obvious that to continue digitally the purchasing behaviour and the literacy level of the rural Bengal need to be revised. Unless and otherwise they are well conversant with English language they can't avail the digital options. So initiatives should be taken to inject digital serum to infuse the rural market. Digital Marketing is a special type of marketing that includes modern digital devices like social media, mobile phones, email, video, blogs, search engines, etc. for active marketing.

The best digital avenues to reach the rural inhabitants are:

- Bulk SMS Marketing
- WhatsApp/Messenger Marketing
- YouTube
- Facebook Marketing

(Source: <https://ginnevox.com/blog/digital-marketing-for-rural-markets-beyond-seo-and-serp/>)

Government Initiatives

Indian Government has prearranged various edges to provide and improve the groundwork in rural areas which can have a multitasking effect in increasing movements of goods, services by increasing the prospective earning potential of rural areas.

- Indian Government has sanctioned the proposal to construct 10 million houses for the rural population, which will require an investment outlay of Rs 81,975 crore (US\$ 12.7 billion) for the period from 2016-17 to 2018-19
- The Government of India aims to provide tap water regularly to every household by 2030 in line with United Nations Sustainable Development Goals, requiring a funding of Rs 23,000 crore (US\$ 3.57 billion) each year until the target is met.

The Government has introduced various reforms in the Union Budget 2017-18 to uplift the rural markets. Some of the key highlights of the Budget are:

- Rs 187,223 crore (US\$ 28.08 billion) has been allocated towards rural, agriculture and allied sectors.
- The Allocation for Pradhan Mantri Awas Yojana-Gramin has been increased from Rs 15,000 crore (US\$ 2.25 billion) to Rs 23,000 crore (US\$ 3.45 billion) in the year 2017-18 with a target to complete 10 million houses for the houseless by the year 2019.
- The pace of roads construction under Pradhan Mantri Gram Sadak Yojana (PMGSY) has been accelerated to 133 kms per day as against an average of 73 kms per day during the years 2011-14.
- The allocation to the Mahatma Gandhi National Rural Employment Guarantee Act

(MGNREGA) has been Rs 48,000 crore (US\$ 7.2 billion) in the year 2017-18, which is the highest ever allocated amount.

The Government of India is looking to install Wi-Fi hotspots at more than 1,000 gram panchayats across India, under its ambitious project called Digital Village, in order to provide internet connectivity for mass use, as well as to enable delivery of services like health and education in far-flung areas.

In the Union Budget 2017-18, the Government of India mentioned that it is on course to achieve 100 per cent village electrification by May 1, 2018.

The Government of India has sought Parliament's approval for an additional expenditure of Rs 59,978.29 crore (US\$ 8.9 billion), which will be used to support the government's rural jobs scheme, building rural infrastructure, urban development and farm insurance.

(source: shodhganga.inflibnet.ac.in/bitstream/10603/56393/8/08_chapter%203.pdf)

CONCLUSION

In the conclusion it can be said that despite of several resources and advantages present in the rural economy still it need more improvement to gain its status in Indian economy. Vast untapped opportunities are hidden in rural India, so government of India should take initiative to exploit those resources and establish a sound commercial economy. More technological projects and tech based awareness programs should be implanted to sow the seeds in the rural economy. The discarding of goods from the urban area to the rural area should immediately clogged by the marketers. Marketers have to modify their urban products before re launching for rural areas as well one should launch it with absolute new set of Marketing Communication tools and develop and redesign most integrated distribution channel for availability of the product. The customer care support centers should be developed at the district level for customer support which enhances the confidence of the consumer in the Brand even in rural area.

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Annexure

Questionnaire on Opportunities & Challenges of Rural Marketing of Bankura

The data (Information) collected through this questionnaire will be kept confidential; and it will be used exclusively for research purpose only

Questionnaire for rural consumer

Personal Details-

1. Age :

	<i>18 - 25 Years</i>	<i>25 - 35 Years</i>	<i>35 to 50 Years</i>
<i>Age Group</i>			

2. Sex: Male/Female

3. Educational Background:

<i>Educational Background</i>	<i>Fully Completed</i>	<i>Partially Completed</i>
<i>10th Std</i>		
<i>12th Std</i>		
<i>Degree</i>		
<i>P.G Degree or more</i>		

4. Family Background: *[Please Tick Mark (?) on appropriate option]*

<i>Class / Type of Occupation</i>	<i>Monthly Family Income (Rs.)</i>					
	<i>Less than 15 K</i>	<i>15 - 30 K</i>	<i>30 - 55 K</i>	<i>55 - 80 K</i>	<i>80 K - 1 Lakh</i>	<i>1 Lakh and More</i>
<i>Lower -</i>						
<i>Lower Middle -</i>						
<i>Middle -</i>						
<i>Upper Middle -</i>						

5. **Customized marketing strategies affects the growth of the company in the rural market**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
6. **Advertising affects the sales figures of the company?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
7. **Sales promotion activities in rural areas are totally different than urban areas?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
8. **Rural marketing is more challenging and needs more customized products to satisfy the needs of the rural customers?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
9. **Rural consumers are more price sensitive, the image of the brand doesn't get affected by low quality products?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
10. **Which form of advertising is more suitable for rural areas?**
 - Media & Print Media • Radio • Melas/fairs • Wall Painting • Any Other (Please Specify).....
11. **Rural Consumer still prefers to buy products from HAATS and Mela's, due to their price sensitive nature?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
12. **The most effective strategy for the promotion of the product?**
 - Wall paintings • Customer contact • Van campaigns • Event management • Radio • Any other (pls specify).....
13. **Small Packs of FMCG products are more in demand in comparison to bigger packs in rural areas?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
14. **Which marketing strategy or scheme dramatically affects the sale of products?**
 - Availability • Good Advertising • Low Price/Cost • Recommendations • Word of Mouth
15. **Low priced products are preferred over high priced products?**
 - Strongly Agree • Agree • Neutral • Strongly Disagree • Disagree
16. **Do you travel outside the village to purchase goods?**
 - Yes • No
17. **If yes, then why?**
 - Reasonable prices • Better product service • Credit facilities • High quality goods
 - Variety of goods

- 18. Which one of the following policies affects your selection?**
- Discount Policy • Promotional Policy
- 19. Whether do you have any knowledge regarding Godrej Consumer Products Ltd.?. Products of Godrej Consumer are known among rural consumers.**
- Yes • No
- 20. How did you get to hear about Godrej Consumer Products Ltd.?**
- TV • Internet • Word of Mouth • Print • Others

Impact of Pre Hire Orientation (PHO) on the Quality of Campus Placement: A study on BPS/ BPO Industry's Service Quality Perspectives

Amitabha Gupta*, Dr.Arup Kumar Baksi**

ABSTRACT

TCS BPS Have introduced Campus to Corporate (C2C) Program at the Undergraduate Colleges offering general degree courses like BA,BSC,BCOM,BBA etc in order to train and more importantly orient the Final or pre final year students about the Jobs at TCS, TCS Work Culture, TCS Career Growth, TCS Etiquettes etc. In the well structured 70 hours program all the final year students expected to be enrolled and got trained by one of the college faculty member who would have been trained by TCS in a 5 Days Faculty Development Program (FDP) at any TCS Premises. Through these double layered activities i.e. Faculty Orientation and Student Orientation student's motivation level to join TCS would be much higher than that would have been otherwise in case of direct campus placement drive.

Though there is a concept of Pre Placement Talk of 30 minutes to 60 minutes on the same day of campus drive but that cannot be considered as Pre Hire Orientation (PHO) nor would have desired impact on the student's level of motivation about the Job Offer.

Recruitment is a process of attracting the right kind of candidates. Pre Hire Orientation can act as tool of attracting more number of right kinds of candidates from the Campuses. Presently Indian BPS/BPO industry is facing a typical sociological mental blockage that hinder the Students to get attracted towards the lucrative jobs of the same industry. Some of such mental blocks are: Only Night Shifts, No Career Growth, and BPO mean Call Centre, BPO Experience has no market value etc. So when there is a campus interview notification of any BPO/BPS Company irrespective of the Job Description, Salary, Career Growth opportunities, the students would be reluctant to apply for the same.

Above example of TCS BPS indicate that the present level of that sociological mental blockage regarding Indian BPO/BPS Industry can be overcome to a great extent in the Campus Hiring Process through an effective Pre Hire Orientation Program.

Service Quality of Campus Recruitment Services greatly affected by an effective and well designed PHO. HR Service Providers involved into Campus Placement Services like CoCubes, Aspiring Minds etc emphasizing more on PHO for assured outcomes from each drive for both the Campuses as well as the Corporate.

Hence, here the authors in this paper have tried to explore the impact of Pre Hire Orientation on the Quality of Campus Placement for the BPO/BPS Industry through a survey amongst the

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practicing Hiring Professionals of BPO/BPS Industry and Professional Degree Course Students (MBA, BBA, B.Tech etc)

The empirical results revealed a significant impact of Pre Hire Orientation on the Quality of Campus Placement for the BPO/BPS Industry.

Keywords: BPO, BPS, Pre Hire, Career, Campus Placement.

INTRODUCTION

“The most common mistake is hiring without a work plan for student or worse yet, assuming they can handle menial tasks in the office,” says Forde. “Students are smart, creative, and ambitious. They have a lot to contribute, and by giving them access to meaty projects, and strong mentors who can help them learn and develop, they will not only develop a sense of loyalty to your company, they will also become important brand ambassadors. Apart from getting a leg up on changing demographics, campus recruiting allows you to engage with emerging talent, right on their own turf. This can be invaluable to your company’s future, providing key intel for recruiting and marketing initiatives, among others.” Marsha Forde, director of human resources at Workopolis.

Campus Hiring is a very important source of recruitment for any Industry for fresher level hiring and BPO/KPO Industry is not an exception. To maintain the constant flow of fresh Talent in the Industry one of the most reliable source is Campus Hiring.

Because of the nature of the Industry and Shift Timings the applicants are having some negative apprehensions regarding attending campus drives of BPO/KPO Companies. Though the BPO/KPO Industries are offering excellent career opportunities for the youth but till they are finding it very challenging good quality talents for their Campus Drives.

Pre Hire Orientation (PHO) is a technique of giving an overview about the company, career opportunities, pay and benefits, training opportunities in order to create a positive impression about the company and the industry as a whole.

PHO, if implemented effectively, can create a good buzz in the campus regarding the Campus Drive. This helps in attracting bright and suitable candidates.

Campus Hiring Process is an effective Branding process of the Company. Many of your potential future hires will be first exposed to your company on their college campus. Even if they aren’t hired directly out of school, these students and recent grads will remember your company as they continue their career path, and will keep it in mind in the future. In other words, some of your most talented employees of tomorrow are on campus right now, potentially unaware of your organization’s existence. A successful campus recruitment strategy will change that.

“Your campus program is an extension of your employer brand, so it’s important that you strive to provide an exceptional experience. By that I mean incorporating a solid onboarding program, a support system, and a clear program of what the hire will work on while at your organization. This can be a big investment initially, but it will pay dividends in the form of future employees, referrals, and customers. A negative experience will ring even louder and be potentially damaging,” Forde says.

LITERATURE REVIEW

Gregory Lewis in his paper “How Blizzard Increased Its Number of Female Interns by 166% in One Year” have discussed about the importance of the Internship in Campus Placement Process.

J.T.O Donnel in his paper on: “Career Fairs and Its Impact” discussed about difficulties the candidates faced during any Career Fairs at Campus.

Perceived Service Quality and HR Services

Perceived Service Quality dimensions include- Reliability, Responsiveness, Assurance, Empathy and Tangibility.

During the selection of any services usually the above factors are taken into consideration by any organization and HR Services (Recruitment Services) are not an exception.

Sl No	Service Quality Dimension	Recruitment Services
1	Reliability	Provide similar level service performance each and every time
2	Assurance	Assurance of Quality Candidates as per client's requirements
3	Responsiveness	Providing hiring Services as per agreed Turn Around Time(TAT)
4	Empathy	Considering and Internalizing Client's hiring challenges as their own.
5	Tangibles	Visible HR Outcomes

DATA ANALYSIS

Part 1

Research Methodology

- HR professionals involved into hiring process are the best source of getting the exact data to explore the research problem.
- The authors have surveyed total 25 HR Professionals of Kolkata from BPO/KPO Industries
- Sample Size: 25
- The authors have taken a 5 Point Likert Scale to construct the questionnaire with 1=Strongly Disagree and 5= Strongly Agree
- The Questionnaire is consisting of 10 Questions
- 36 HR professionals have been surveyed to explore relationship between PHO and Effectiveness of Campus Placement Process
- Hypothesis: There is no significant impact of PHO on Campus Placement Process.

- Automatic Linear Model Method in SPSS has been utilized to analyze the data.

FINDINGS

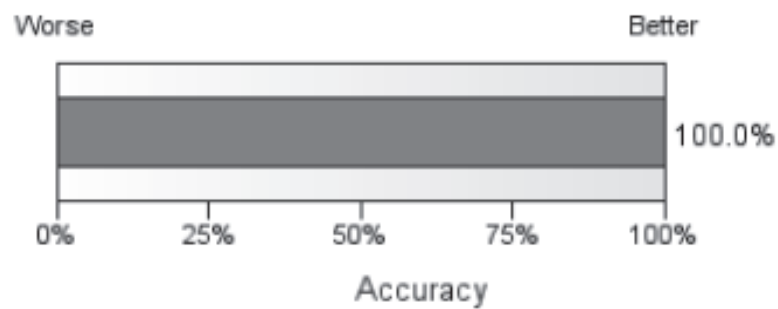
1. The Model is 100% Perfect

Model Summary

Target	EFFECT
Automatic Data Preparation	On
Model Selection Method	Forward Stepwise
Information Criterion	.

The information criterion is used to compare to models. Models with smaller information criterion values fit better.

The information criterion cannot be computed because the model has perfect fit.



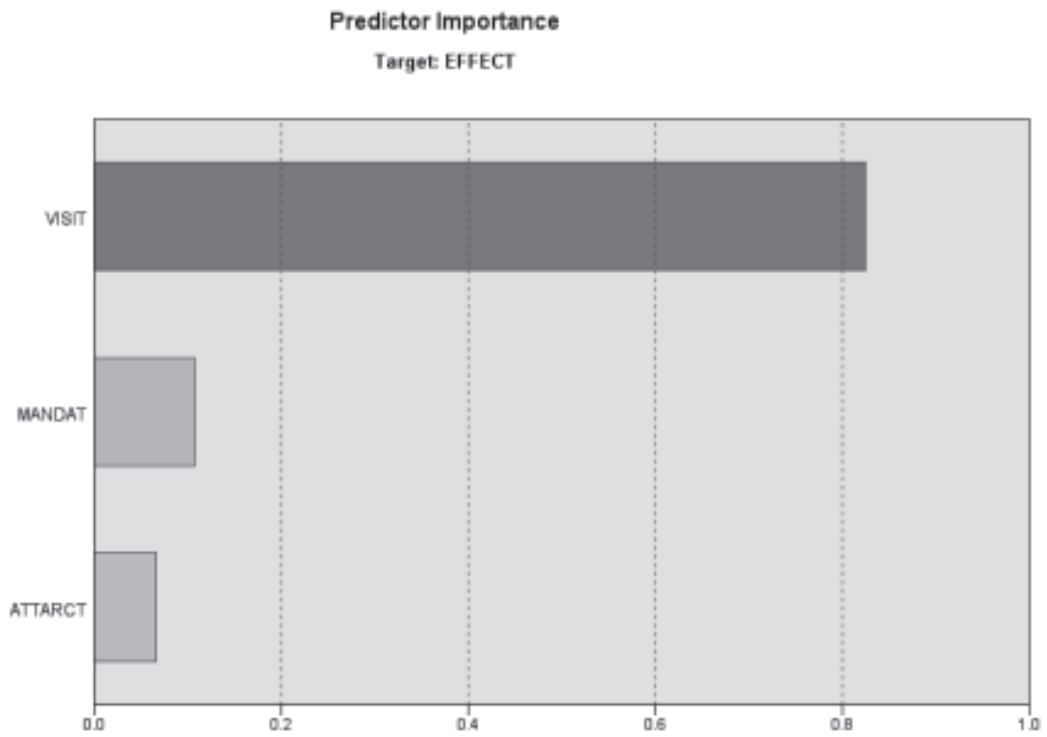
2. Effect of Factors on the Target- Campus Interview Effectiveness:

Automatic Data Preparation

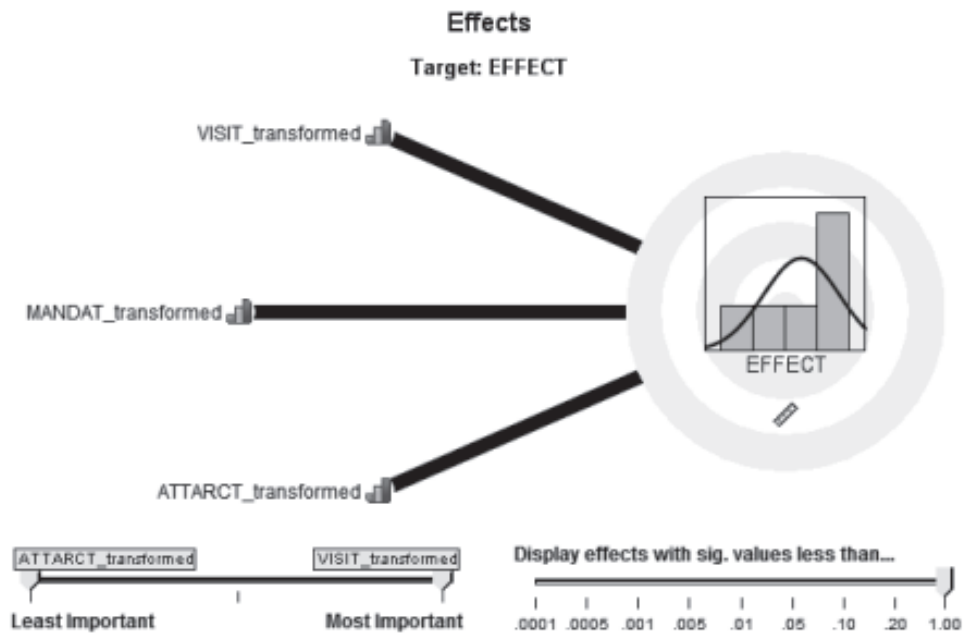
Target: EFFECT

Field	Role	Actions Taken
(ATTARCT_transformed)	Predictor	Change measurement level from continuous to ordinal
(MANDAT_transformed)	Predictor	Change measurement level from continuous to ordinal
(ORGAFIT_transformed)	Predictor	Change measurement level from continuous to ordinal Merge categories to maximize association with target
(STABLE_transformed)	Predictor	Change measurement level from continuous to ordinal Merge categories to maximize association with target
(SUCCSS_transformed)	Predictor	Change measurement level from continuous to ordinal
(THREED_transformed)	Predictor	Change measurement level from continuous to ordinal Merge categories to maximize association with target
(VISIT_transformed)	Predictor	Change measurement level from continuous to ordinal

3. **Identification of most important Predictor:** Campus (Office) Visit is the most important factor of PHO that has a great impact on the success of Campus Placement Process. As per the analysis Mandatory PHO has a direct positive impact on the success of the Campus Placement Process. It is also been identified that PHO Can attract more number of suitable candidates for the Campus Drive.



4. Relative Importance of the identified factors



5. Model Building Summary

Model Building Summary

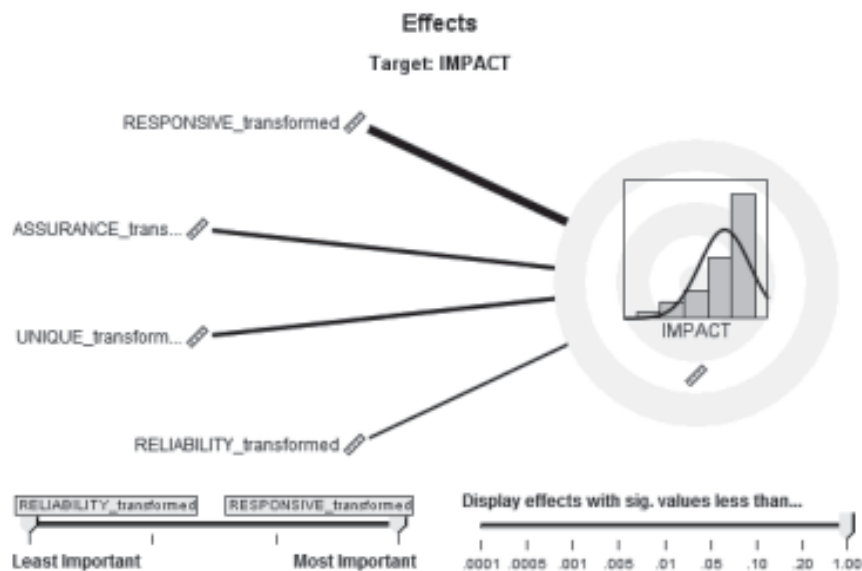
Target: EFFECT

	Step		
	1	2	3
Information Criterion	-33.651	-42.205	.
VISIT_transformed	✓	✓	✓
Effect MANDAT_transformed		✓	✓
ATTARCT_transformed			✓

The model building method is Forward Stepwise using the Information Criterion.
 A checkmark means the effect is in the model at this step.
 The value cannot be computed because the model has perfect fit.

As per the above analysis the null hypothesis is rejected as PHO can affect the over success of the Campus Placement Process.

Data Analysis Part 2



In this part the authors have tried to understand the impact of PHO on the service quality dimension:

From the above analysis it has been found that PHO has a direct impact on the service quality dimensions of Campus Placement Process. It has been identified that Responsiveness of the Campus Placement Service is highly affected by an effective PHO. Apart from that Assurance Level, Uniqueness of the Services and Reliability of Campus Placement Services are affected by the PHO.

CONCLUSION

Pre Hire Orientation should be made mandatory for any campus hiring process in any campus especially for BPO/KPO Industry. Campus (Office) Visit is the most important factor of PHO that has a great impact on the success of Campus Placement Process. A mandatory Campus/Office Visit event may be conducted for the applicants that can surely may increase the number of applicants in the process. PHO should be made mandatory for BPO/KPO Companies in any Campus Placement Process.

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Microfinance and Rural Credit Access to the Poor: Exploring the Possibilities and Challenges

Uzma Khan*, Zeba Farheen**, Sreemoyee Guha Roy***

ABSTRACT

The paper describes the progress of the rural credit movement in India, its achievements and failures since 1950/51, deals with the evolution of rural credit policy and the progress of such rural credit institutions as the lead banks, regional rural banks, and farmers' service societies. Formal financial institutions failed to reach the poorer sections of the rural society due to informational asymmetry, moral hazard and enforcement problems. The necessity of having alternative rural credit systems which will solve the problems of rural credit institutions is clearly warranted. Micro finance institutions are seen to have characteristics that help solve the problems moral hazard and adverse selection, which other institutions failed to do. Group lending, peer monitoring and joint liability systems solve the adverse selection and moral hazard issues associated with rural credit markets. The objective of the study is to examine the success of the micro finance as an institution that solves the problems of moral hazard and adverse selection, which are the existing problems of rural credit institutions. This study will focus in finding out the impact of micro finance programme on poverty, money lenders, women empowerment and living standards of the rural poor.

Keywords: Microcredit, Rural Credit, Micro finance, SHG-Bank linkage Programme

INTRODUCTION

Informal sector lenders remain a strong presence in rural India in terms of providing credit facilities in rural India. Farmers and rural poor borrowings from Money lenders and other informal sources of rural credit are still significant. In this situation micro finance has emerged as an alternative source of rural credit, microfinance programmes has been providing all kinds of banking services, it includes loans, thrifts and insurance services. Sometimes it is working more than financial institutions. In addition to providing financial services MFIs typically provide information related to basic education, health, hygiene, child immunization, disease prevention and environment surely one cannot deny the role of microfinance in poverty reduction as it raises income and consumption of poor households.

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Micro finance is emerged as a powerful instrument for providing basic financial facilities to the rural poor, women, (in rural, semi-urban areas) small and marginal farmers, rural artisans and economically weaker sections. Micro-finance is defined as the provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas so as to enable them to raise their income levels and improve their living standard. In underdeveloped regions fighting with higher pressure of population severe poverty and socioeconomic disparities, rural economy plays crucial role for providing livelihood facilities. Generally these economies are constrained with low basic socio-economic infrastructure facilities like transport, telecommunications, energy and water health, educational facilities as well as former financial facilities like commercial banks, co-operative banks RRBs.

It is a fact that there is a need to have adequate road, rail, digital connectivity and adequate power and infrastructure facilities which are pre-requisites for operation of banking services. The biggest challenge of before the RBI for achieving financial inclusion is how to provide banking services in the hinterland like these areas and how to minimize high operational costs associated with the low value large volume transactions .The introduction of microfinance programmes increased the borrowing options for the rural poor and it is supposed to work as a weapon to alleviate poverty and to save the rural poor from the clutches of moneylenders.

The availability of credit and generation of savings have been recognised as essential element in the rural development strategy. Credit plays a crucial role in the modernizations of agriculture but its role of fight against rural poverty has seldom been recognised. Financial institutions in developing countries, whether public and private have shunned rural credit for various reasons such as opportunity costs and low financial creditability. Further rural financial services have mostly been controlled by rich farmers, who are able to use their large endowment base and influence within the local power structure to secure loans at high advantaged terms. Credit policies are also generally concentrated on land based agricultural production programmes, neglecting off-far in activities in which the poor are mainly engaged. The rural poor men and women, landless people artisans agricultural labourers, and small fishermen have mostly been excluded from the financial services either because they were not available (collateral and procedural requirements rendered them inaccessible) or simply because they were not conceded creditworthy.

NATURE AND PROBLEM OF RURAL CREDIT

There are three aspects of analysing the nature and problems of rural credit markets:

- a) It is important to highlight the features of existing credit markets and their function in order to bring out the inadequacies in terms of performance
- b) Secondly, it is crucial to identify the type of credit that is typically asked for by the rural population in order to understand whether the existing credit markets cover the needs and, more importantly, whether the new institutions of micro-finance help in bridging the gaps, if they exist, in catering to the diverse needs of the rural poor
- c) There are severe problems of adverse selection (on part of Lenders) and Moral

hazard (on part of borrowers) in rural credit markets that pose problems to formal institutions in lending money to rural areas

GROWTH SCENARIO OF RURAL CREDIT

Access to financial services, particularly credit, has been a priority agenda for the Government since the early days of Independence for all-round development of the economy. One of the important steps in this measure was the revival of the cooperative credit structure in the mid-1950s and the decades of the 1960s also continued to focus on institutional credit flows and cooperatives. Following the nationalisation of banks in 1969, the decade of the 1970s was marked by introduction of lead bank scheme and directed lending. In the decade of 1990s, there have been many significant State initiatives in the institutional and policy spheres to facilitate access to financial services by poor, downtrodden, dalits and tribals. The evolution of the Indian Banking sector in India and its role towards the growth and development of the country has been distinct and definitive (Ahuja: 2010). If one looks chronologically at the events which have had a far – reaching impact on the Indian rural credit system, the events prior to 1947 have been few. The few changes then were introduced as a result of a deliberate policy by the authorities and not because of any ground –level requirements as such. Prior to 1947, the changes introduced were:

1793 – Introduction of taccavi loans as a measure of administrative relief after recurring famines. 1904 – Introduction of a cooperative credit system based on the Raiffesian model for providing cheaper credit alternatives.

1928 – Introduction of land mortgage banks in the cooperative system to provide for long – term loans for redemption of debts to moneylenders.

1935 – Creation of the Agricultural Credit Department in the Reserve Bank of India, a revolutionary step undertaken for supervising agricultural credit operation. After Independence, the benign and paternalistic attitude towards changes in Agricultural credit policies continued but with more significant ideological inputs, which in retrospect did more harm to the rural credit delivery system. The latter, through inadequate, was shaping up well without any significant stress. But changes introduced after 1947 have been responsible for the sad state of the rural credit delivery system, introducing in it a state of 'forced growth' leading to quick changes and policy „turnarounds. These changes were due to the report of the;

1949 - Rural Bankers Enquiry Committee

1954 – All India Rural Credit Survey

1955 – Formation of State Bank of India

1963 – Agriculture Refinance Corporation set up – changed to ARDC (1975) and then to NABARD (1982)

1968 – National Credit Council Study Group on Organizational Framework for Social Objectives

1969 – Rural Credit Review Committee, Nationalization of 14 largest banks

- 1971 - Setting up of credit guarantee co – operation.
- 1972 – Banking Commission
- 1972- 1975 – Setting up of REC, SFDA
- 1975 - Working Group on Rural Banks (RRBs)
- 1980 - Second time nationalization of 6 banks
- 1989-Agricultural Credit Review Committee
- 1992– Report on the Financial System
- 1992 - SHG – Bank linkage programme by NABARD
- 1996- 97- Concept of local area bank was introduced
- 1998 – R.V. Gupta Committee on Rural Credit
- 1998 – Launcing of KCC (Kisan credit card) by NABARD
- 2005- Establishment of Rural Infrastructure Development Fund (RIDF) to assist State Governments/State owned corporations.
- 2006- Establishment of Committee on Financial Inclusion under the Chairmanship of Dr.C.Rangarajan.
- 2008- Waiving of farm loans amounting to 65,000 crores.
- 2010- Successful listing of SKS Micro-finance in stock exchange.

Institutional or the Formal Sector Institutions Traditionally, the Formal Sector Banking Institutions in India have been serving only the needs of the Commercial Sector and providing loans for middle and upper Income Groups.

As far as the formal financial institutions are concerned, there are Commercial Banks, Housing Finance Institutions (HFIs), NABARD, Rural Development Banks (RDBs), Land Development Banks, Co-operative Banks (CBs). The Government has taken several initiatives to strengthen the institutional rural credit system. The rural branch network of commercial banks have been expanded and certain policy prescriptions imposed in order to ensure greater flow of credit to Agriculture and other preferred sectors. The Commercial banks are required to ensure that 40% of total credit is provided to the priority sectors out of which 18% in the form of direct finance to Agriculture and 25% to priority sector in favour of Weaker Section besides maintaining a credit deposit ratio of 60% in rural and semi-urban branches. Further the IRDP introduced in 1979 ensures apply of credit subsidies to Weaker Section beneficiaries. Although these measure have helped in widening the access of rural households to institutional credit vast majority of the rural poor have still not been covered. Also lending done under the poverty alleviation schemes suffered high repayment defaults and left little sustainable impact on the economic condition of the beneficiaries (PiyushTiwari and S.M. Fahed (2005). Non-Institutional Sources like Money lenders, landlord, traders etc accounted for 93 percent of the total credit requirements in 1951-52 and institutions sources including the Government accounted for only 7 percent of the total credit needs in that year.

OBJECTIVES OF THE STUDY

- To study the nature and problem of rural credit
- To find out the relationship between rural credit and microfinance
- To analyse and examine the impact of different sources of Rural credit in microfinance

METHODOLOGY

The present study explores the relationship between rural credit and microfinance in India. This study is based on the secondary data collected from different sources like NABARD, RBI and different Government of India agency like Ministry of finance, planning commission and various published journals.

LITERATURE REVIEW

Credit is the life-blood of every undertaking. Agriculture is not an exception for it. In India most of the farmers and agricultural labourers are poor, hence they are lying on the border line of starvation. They require credit not only for productive investment activities but also for consumption purpose. Following are the studies made by different researchers on rural credit in India. Recognising the importance of credit in the development of agricultural sector in India's economy, the Government of India, the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) have played a vital role in creating a broad-based institutional framework for catering to the increasing credit requirements of the sector by way of Multi-Agency network comprising of Commercial Banks (CBs), Regional Rural Banks (RRBs) and Cooperatives covering almost all the villages in the Country.

An elaborate policy framework has been implemented in the country with the objective of providing timely, adequate and reasonably priced (affordable) credit. Agricultural credit also forms an important segment of the 'priority sector lending' of scheduled commercial banks (SCBs) and target of 18 per cent of net bank credit has been stipulated for the sector since 1968 (RBI, 2011).

As a result of these measures, agricultural credit has doubled over last 5 years and reached a level of Rs 366919 crores in 2009-10 registering annual compounded growth rate of 18.5% over a period of 5 years (2005 to 2010) (NABARD, 2011)

Despite the significant strides achieved in terms of spread, network and outreach of rural financial institutions, the quantum of flow of financial resources to agriculture continues to be inadequate (Golait, 2007). As a result, agrarian distress on account of deceleration of agricultural growth since late 1990's has been recognized as one of the major impediments in the development process of India. The adverse impact of such slowdown is more serious in the rain fed regions especially on small and marginal farmers with limited resources. Recent studies on agrarian distress have revealed that indebtedness is one of the factors linked with farmers' suicides on account of crop failure and related issues. This situation brings out the fact that the existing institutional arrangement for credit delivery is not adequate and suitable to address the agrarian distress in the country (Barah and Sirohi, 2011).

The National Commission on Farmers (NCF) under the chairmanship of Prof. M.S. Swaminathan submitted its final report in October 2007. It has stated that 'Improvement in the outreach and efficiency of the rural banking system is the need of the hour. Towards this end, the financial services would be galvanised for timely, adequate and easy reach to the farmers at reasonable interest rates. The banking system would endeavour to meet the large credit potential needed to raise agriculture to higher thresholds and for the growth of rural and agribusiness enterprises and employment'. (Government of India , 2007).

Financial Inclusion is another important initiative of Government of India and Reserve Bank of India, through which poor and financially excluded people, like small and marginal farmers and oral lessees, are to be mainstreamed in the banking system thereby reducing dependence on money lenders and other informal sources of credit. For this purpose Committee on Financial Inclusion (Chaired by Dr.C.Rangarajan) recommended setting up of two funds, namely, Financial Inclusion Fund and Financial Inclusion Technology Fund, each of Rs 500 crore. Through these efforts are being made for providing credit facilities to the 'financially excluded' population, majority of whom are small and marginal farmers and land less (NABARD, 2011).

There are evidences to suggest a close link of debt to distress and suicides in farmers as indicated in higher suicide mortality rate (SMR - suicide death for 100,000 persons). SMR for male farmers in India was much higher at 17.5 than non-farmers at 14.2 during 2001-period (Mishra, 2007). The most common risk factors for farmer suicides are – 'indebtedness' (87% of suicides) and 'economic decline' (74%) (Mishra, 2006).

Reserve Bank of India (2006) also reported that one common factor that can be seen across all regions is that manifestation of economic distress is primarily through indebtedness. The distress may be 'systemic' (faced by a large number of households) or 'idiosyncratic' (specific to the particular household). This systemic distress may be due to production losses in two consecutive years due to natural calamities and consequent inability to repay loans resulting in increased indebtedness. A farmer will be considered to be 'idiosyncratic' distress if he meets any or both of the following criteria:

- (1) The farmer is indebted to the formal and informal sources of credit to the extent of more than the monetary value of the land and other productive assets owned by the family (negative net worth) and/or
- (2) The interest liability on loans from formal and informal sources exceeds 50 per cent, of his gross family income (liquidity crisis leading to inability to meet even consumption requirements).

Inadequacy of credit outreach by the formal banking system was highlighted by the findings of the 59th round of National Sample Survey Organization (NSSO) survey of 2003 on 'Indebtedness of Farmer Households'. According to the Survey, of the 89.35 million farmer households forming 60.4 per cent of the total rural households, only 43.42 million households (48.6 per cent) availed financial services especially loans. Thus, 51.4 per cent farmer households have either not availed loans or have been denied loans (NSSO, 2005). In this context it is pertinent to mention that the Planning

Commission of India in the Approach Paper to 11th Five Year Plan 2007-2012 observed that 'there is evidence that farm debt is increasing much faster than farm incomes' (Government of India 2006).

The situation was quite disturbing in Maharashtra, Karnataka, Andhra Pradesh, Kerala and even in the agriculturally most progressive state of Punjab (Reddy et.al, 1998; Vasavu, 1999; Deshpande, 2002; Sainath, 2005; Mishra, 2005). In a study of indebtedness of farmers in Andhra Pradesh it was reported that 70% of the farmer households were dependent on informal sources (mainly money lenders) for their credit needs (Gulab and Reddy, 2007).

Satish (2006) reviewed the distress in agriculture in Punjab. He observed that since the nationalisation of banks and the green revolution, institutional credit for agriculture has grown in Punjab. But the growth had not been uniform and in line with the demand for such credit. Indebtedness has also increased in the state, but a large part of the debt has been for non-productive purposes. The incidence of suicides in Punjab has not been higher than the all India average and studies reveal that while indebtedness is indeed one of the major causes of suicides, it is neither the only cause nor the main one. There is thus no direct causal relationship between institutional credit, indebtedness and suicides in rural Punjab.

In a study in Maharashtra, Kale (2011), found that low productivity, low annual income, existence of income liability gap, indebtedness and availing of non-institutional credit were proved as important causes of suicide in Maharashtra.

M. Darling (1990) in his study, "Punjab Peasants in Prosperity," while substantiating his view regarding the importance, points out as "the credit needs of agriculturists can be broadly classified into directly productive and indirectly unproductive expenses. It has rightly been said that one fertilises and the other water logs the soil. From one springs the crops by which loan can be repaid and from the other half, the ills that shackle body and mind.

S. N. Ghosal (1966) in, "Agricultural Financing in India", Publishing House – Bombay, substantiating the importance of credit stated that "Shortage of credit may be both the cause in that lack of ready money in the hands of farmer prevents investment in the farm and also the effect of poverty in that high interest rate and high burdens of debts may reflect a chronic insufficiency of the farmers income and a permanent tendency for consumption of out run production."

S. D. Meumark (1989) highlighting the importance of credit to agriculture, in his study, 'World Agricultural crisis - Farm Economic Bulletin states that "the significance of agricultural credit is a highly discussed subject. It would not be hyperbolic if a farm economist says that it is the back-bone of the agrarian sector of a developing economy."

Thus the importance of credit is highly exaggerated in Indian agriculture, in particular, and in Indian rural society in general.

R. D. Sharma (1980) in, "Agricultural Finance in India - Bharat-Book Depot" made a statement that, "credit consists in enlarging the net cultivable area by bringing waste

and fallow land under cultivation providing the manure and chemical fertilizer, protection of land, provision of irrigation, making large amount of fixed and working capital available to agriculture, changing farm organisation, enlarging its shares of gross national product and increasing labour returns in agriculture. It has also some bearing on the problems of ensuring fair returns to agriculture. Once the match-stick of credit ignites the flames, better managerial skills sustain it and a holy process of one inducing the other and covering all come into effect.

Credit plays a very important role in Indian economic system. The most important need of credit is to repay the old debts. Unless and until such debts are repaid ruralites cannot be free from their shackles. Farmers' requirement for credit also arises due to uncertain nature of agriculture. Indian agriculture depends too much upon the monsoon conditions. Both the drought and flood are harmful to agricultural operations. Under such circumstances there will be too much loss on the part of the farmers. But farmers need more credit during such periods to make the deficit good.

NEW APPROACHES TO DELIVER FINANCE TO THE POOR

Inadequacies in rural access to formal finance and the seemingly extortionate terms of informal finance for the poor provide a strong need and ample space for innovative approaches to serve the financial needs of India's rural poor. Over the last decade, government, financial institutions, and NGOs made efforts, often in partnership, to develop new financial delivery approaches combining the safety and reliability of formal finance with the convenience and flexibility that are typically associated with informal finance. These microfinance approaches typically involve providing thrift, credit and other financial services and products of very small amounts to the poor, with the aim to raise income levels and improve living standards. But microfinance still plays a modest role in India. By far the largest component of microfinance in India, in terms of scale, geographical coverage and outreach, is the SHG-bank linkage; other models, such as the 'Grameen-type' independent microfinance institutions, are relatively minuscule in comparison. The SHG-bank linkage model is somewhat unique to India, particularly given its preponderance in the country's microfinance landscape. The model evolved so that the SHG-bank linkage today involves having the group save, and then linking it to a bank. Banks typically provide the group a loan amounting to four times the group's savings but, as the group matures, and based on the group's track record, banks are ready to lend more. Borrowed and saved funds are rotated through lending within the group using flexible repayment schedules (usually monthly repayment); SHGs thus save, borrow and repay collectively. There has been growing excitement about the SHG-bank linkage, and many believe it is destined to stay the country's dominant system of mass-outreach banking for the poor. Growth in the numbers of SHGs formed, and the scale of their interaction with banks, has been very fast in the last three or four years, and is still accelerating. Recent years have also witnessed the emergence of other institutional structures for microfinance, notably, specialised private microfinance institutions (MFIs) that are based on the Grameen model pioneered in Bangladesh. But with a few exceptions, most Indian MFIs are small in size, region specific (with a concentration in the south) and the sector has a limited collective outreach. Evaluation

of the sources of co-operative credit structure.

EVOLUTION AND PROGRESS OF COOPERATIVE SOCIETIES IN INDIA:

In India the co-operative movement was started in 1904. The basic objective was to provide ready credit to the rural poor, especially small and marginal farmers and agricultural labourers at a reasonable rate of interest. But upto 1960's and 1970's, the cooperative credit institutions did not play a significant role in the matter of rural credit. According to All India Rural Credit Survey Report (1954) the cooperatives provided only 3.1 percent of the financial needs of the farmers. The co-operative credit in India is of three tier structure viz., state cooperative banks at the top, district central co-operative banks at the middle and primary co-operatives at the bottom or at the grass-root level.

Out of these three institutions in the co-operative structure, the importance of primary co-operatives is highly exaggerated. They have direct contact with the rural poor. The main motto behind starting co-operative credit society is to enable the farmers to get credit at a concessional and at a convenient rate of interest.

The All India Rural Credit Review Committee has observed that the co-operative credit societies have failed to provide adequate financial support to the farmers. Moreover they have been very weak, and hence are unable to meet fully the production oriented credit requirements. Over and above the problem of overdue has been escalating. The role of central co-operative bank and state co-operative bank is only secondary. One of the important problems of co-operative credit is the high amount of overdues. It is put at more than Rs.3000 crores. The main cause for this state of affair is the unwillingness and indiscipline on the part of the agriculturists to repay the loans borrowed. Even political pressure against the repayment, hundreds of concessions in the repayment of loan and in the payment of interest thereon, have adversely affected the recovery performance of the co-operative credit institutions.

Thus the co-operative movement was launched in 1904, mainly for the provision of cheap credit facilities to the farmers. Moreover the credit societies predominate in the total number of co-operative societies in the country. They constitute nearly 75 percent of the total such societies. Among them primary credit co-operatives at the grassroots level are playing a dynamic role. They directly finance the farmers - compared to state co-operative banks and central cooperative banks.

The position of Central co-operative banks, which are like the intermediary links between the primary societies on the one side and the state co-operative banks on the other, is not bright. The primary societies borrow from the central co-operative banks. But the financial position of the central co-operative banks is weak. Their share capital, reserve fund and deposits are very low. They have been depending upon the state co-operative banks for most of their financial requirements. In order to get more finance and in turn profit some of these central co-operative banks are indulging in trading business. Indirectly it means that they have been neglecting the co-operative business. Some of them have even suffered serious losses.

At present there are 27 state co-operative banks against only 16 in 1931-92. Their working capital is put at more than Rs.3000 crores at present against Rs.37 crores in

1951-32, that means nearly hundred times increase in the working capital. They have direct link with the NABARD.

The main source of finance of the land development banks consists of the amount raised by floating debentures in the markets. State governments are guarantees for such debentures. Life Insurance Corporation of India, the State Bank of India group, commercial banks, Central and state governments and co-operative banks are the investors in these debentures. But there are many defects in the operation and functioning of such banks. First of all they have been incurring a huge amount of overdues. It has been estimated to be between 42 and 45 percent of the total loan. Even the purpose-wise analysis of the loans advanced by land development bank shows that a considerable proportion of their advance were given for redemption of debts.

There is also an allegation on these banks that they have been beneficial to the affluent sections of the farming community leaving out the small and marginal farmers.

COMMERCIAL BANKS

The business of commercial banks started long back in India. However, they did not cater to the requirements of the ruralites in general and farmers in particular. They only met the requirements of traders and the industrialists. For instance they met less than 1 percent of the financial requirements of the farmers before the social control on banks and the nationalisation. The Government of India started taking several steps to institute social control on banks. It was because the banks did not meet even 1 percent of the requirement of the agriculturists. However it was felt that the social control would be too slow a process to satisfy the aspiration of the people in the country-side. Hence, 14 major banks each with a deposit of Rs.50 crores and above were nationalised in July 1969.

Before nationalisation, the staff of the bank had neither the experience nor the expertise in the matter of financing agriculture. Even the security which the farmers used to give in the form of land was not acceptable by the banks. Besides this, commercial banks experience many more problems in financing agriculture. They include the problem of organisation, including the shortage of staff who is conversant with the local language, inadequate infrastructure to start a branch, high cost of credit, social and political problems, environmental problem in the form of floods, droughts etc.

Over and above there are the problems relating to overdues and recovery of loans. In addition to this they were also required to face the problems relating to legal and administrative aspects like incomplete land records, wilful default on the part of certain agriculturists, lack of earnest effort on the part of the bank staff in the matter of recovery etc.

The basic objective of nationalisation of bank was to transform the structure of banking from wholesale banking to retail banking and banking from the class to the banking for masses. The ultimate objective was to accelerate the development of rural areas in order to generate more and more employment and thereby to increase the income of those who were living below the poverty line.

REGIONAL RURAL BANKS (RRBs)

The commercial banks and the co-operative credit institutions, failed to meet the financial requirements of the small farmers, marginal farmers, agricultural labourers and such other category of people in the rural areas. Eventhough the number of institutional agencies supplying credit to agriculture and allied activities increased, the lot of the weaker section of the people in the rural areas did not improve. They remained more or less outside the coverage of the institutional credit. In the rural areas majority of the poor belong to the agriculture and its related activities.

The All India Rural Credit Review Committee initiated the idea of providing credit to small and marginal farmers on the one hand and landless labourers on the other in 1969. It has remarked that the Co-operatives and the others competing and supplementary agencies should be co-exist for rural development. The requirements of the agricultural sector are so large and diverse that both the commercial banks and cooperative banks can play a complimentary role without getting into conflict with each other.

Further it recommended the establishment of a small farmer's development agency under the multi-agency approach. This approach has made the commercial banks to undertake agricultural financing as one of their functions. However, high cost of operation on the one hand and shortage of requisite staff in the rural areas on the other, have put them into severe difficulties.

In 1971, the National Commission on Agriculture was appointed. It recommended the starting of agricultural development bank of India on the line of Industrial development bank of India. But the proposal was not accepted by the Banking Commission.

In 1972 the suggestion of starting a chain of Rural Banks was made by the Banking Commission. The recommendations of the commission were reviewed by a Working Group headed by Shri M. Narasimhan.

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

National Bank for Agriculture and Rural Development is the Apex-financial institution in the field of agricultural finance. It was initiated in July 1982. All the functions relating to agriculture by the Agricultural Refinance and Development Corporation and that of the Reserve Bank of India were transferred to the NABARD. NABARD functions as a relender, re-financer, co-ordinator, supervisor and a guide.

Therefore since 1970's the institutional agencies like co-operative banks, commercial banks, regional rural banks and NABARD have been playing a dynamic role in the matter of rural finance. As per the All India Debt and Investment Survey in 1961-62, institutional agencies met only 18.7percent of the total financial requirements of the agriculturists. But the non-institutional agencies met 81.3percent. In 1981 there was a significant increase in the financial assistance made available by the institutional agencies. It increased to 63.2percent and that of non-institutional agencies declined to 36.8percent. It shows that the farmers have been finding it more cheaper, more easier and more profitable to borrow from institutional agencies than from the non-institutional

ones. But due to continuous sub-division and fragmentation of holding the number of small farmers and marginal farmers has been on an increasing trend. Therefore, in the years to come, the Government should take proper steps to start more and more small banks in the rural areas to meet the financial requirements.

Over and above to avoid the problem of regional and institutional variation in the matter of agricultural finance, the government should establish the different institutional agencies equally among all the regions depending upon their requirements. The problem of poor recovery is posing a basic threat to the viability of the institutional lending finance to agriculture. The complete link between the flow of credit, generation of income and better recoveries in general seems to be weak as far as agricultural finance is concerned. One of the important causes of poor recovery is wilful defaulting. The poor recovery because of willful default should be strictly dealt with through legal actions. Moreover there is a need of an integration among various financial institutions to ensure that wilful defaulters are not being entertained by them.

Thus, the development of agriculture and other rural activities basically depend upon the credit. Similarly development of agriculture and other activities lead to increasing employment, increasing output, and in turn increasing income. The demand for credit, will, undoubtedly be more in the years to come. It is mainly because of two reasons, firstly for undertaking improved agricultural operation and secondly for changing cropping pattern. So Government must work out, in advance, the probable demand for credit depending upon, purposes and periods. It will definitely help the economy to grow at a faster rate due to development of agriculture and allied services.

WHAT MICROFINANCE CAN DO AND WHAT IT CANNOT

It must be understood that microfinance by itself is no magic bullet for poverty eradication, livelihood creation, empowerment of women or the poor. As for MFIs, a paradox militates against their very survival. Given their relatively low scale of operations, the imperative of profits forces MFIs to demand that they be allowed to charge high interest rates. But such rates will only attract those with high-risk (and potentially high return) investments. Safer investors (with lower but more certain returns) will not borrow at such high rates. The consequent danger of default will be much greater for MFIs, which will negatively impact their profits and/or create unbearable pressure on borrowers with tragedies like the Andhra Pradesh suicides as extreme possibilities.

Research shows that increased competition among MFIs may benefit wealthier borrowers but it lowers welfare levels for the poor [McIntosh et al 2005]. Are MFIs in India not in danger of repeating the 1940s' and 1950s' story of mushrooming private banks and rampant bank failures? It is clear that in India, with one of the largest public sector banking networks in the world, it is best for microfinance to build on the SHG-bank linkage model [Basu and Srivastava 2005: 1752-But even the SBL programme has a very specific place that must be clearly delineated - distress cash requirements including those for food; loans for health-related crises; easing the hold of the moneylender-trader nexus; a secure and attracting avenue for the poor to save and insurance. SHG federations can be a powerful avenue for macroeconomic activities such as purchase

of inputs and sale of outputs at scale. They can become a source of long-term, high volume “macrofinance” for activities like low-cost housing. These are new “civic institutions” [Vasimalai and Narender 2007] or “community-based organisations” [SPS 2006], involved not just with finance but also with human development issues such as education, health, sanitation, child nutrition and drinking water. Running SHGs and SHG federations can be a unique empowerment experience for women. These federations are also potentially powerful regional economic entities that generate large-scale demand for a variety of goods and services in rural areas, provided by both private and public players. But it must clearly be understood that poverty eradication in India’s backward regions is impossible without a critical minimum dose of public investments in natural resource regeneration, sustainable agriculture and a whole range of nature-based livelihoods as also infrastructure - that create the enabling environment for private investments to flourish. One of the worst directions the SBL programme has taken is its obsession with the setting up of microenterprises, which has often been attempted as mindlessly as the IRDP was. By itself microfinance can achieve little even in this direction. Many allied inputs are required - forward and backward linkages (input-market support), appropriate skills and technologies as well as finance for fixed assets and working capital [Dichter 2004; Mahajan 2005]. Without working out this entire package, microcredit can easily become “macrodebt”, pushing the poor into traps they find very hard to escape. It is truly ironic that the very same people who sing paeans of globalisation are promoting microenterprises as the answer to world poverty without waiting to reflect on how they expect these microenterprises to withstand the unbearable pressures of global competition.

SELF HELP GROUP BANK LINKAGE PROGRAMME (SBLP)

Self Help Group Bank Linkage Programme (SBLP) is a step to bring the “unbanked” poor into the formal banking system and to inculcate thrift and credit habits. A natural corollary is for the group members to graduate into seeking better livelihood opportunities through access to credit from financial institutions.

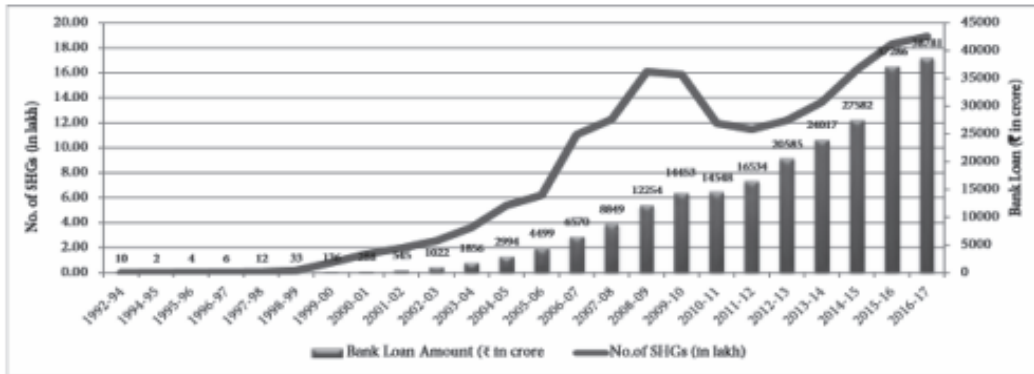
Key Statistics under SBLP as of March 2017

- Total number of SHGs saving-linked with banks – 85.77 lakh
- Total saving amount of SHGs linked with banks – 16,114 crores
- Total number of SHGs with loan outstanding – 48.48 lakh
- Total loan amount outstanding – 61,581 crores
- Total No. of SHGs credit linked during 2015-16 – 18.98 lakh
- Total Amount disbursed during 2015-16 – 38,781 crores

SBLP Activity since Inception Banks has been active in accepting SHGs’ savings and lending to SHGs since the early nineties. Trend of SHGs linked to banks has remained positive since the beginning though the credit linked SHGs have witnessed a decline during the year 2010-11 and 2011-12 as a ramification of the AP crisis. The credit linkage to banks resumed a positive trend after year 2012-13 and continued in 2015 -16. However the growth in 2016-17 has been modest. The number of SHGs which received credit grew at 3.6 % as compared to the previous year and credit disbursed grew at 4 %.

Historical trend in credit linkage and bank loan disbursed

Figure 5.1: Historical Trend in Credit Linkage and Bank Loan Disbursed

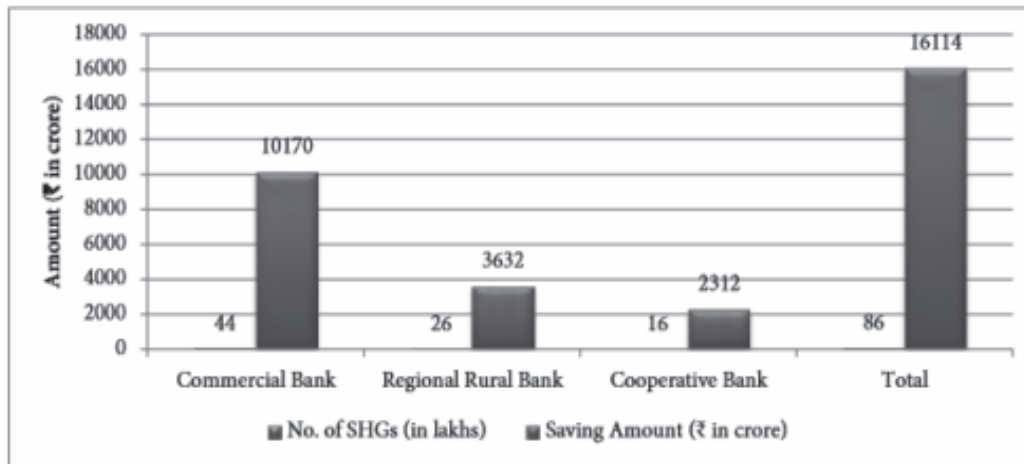


Source: Data compiled from various reports of NABARD

† Source: NABARD

Savings of SHGs with banks as on 31st March 2017

Figure 5.4: Savings of SHGs with Banks as on 31 March 2017



Source: NABARD

The figure above depicts the savings of SHGs as on 31 March 2017 with various Banks viz. Commercial Banks, Regional Rural Banks and Cooperative Banks. Commercial Banks continue to play a leading role, serving 52% of total number of SHGs and accounting for 63% of the total savings by SHGs in the banking system. RRBs holding second position by serving 30% of total number of SHGs and accounting

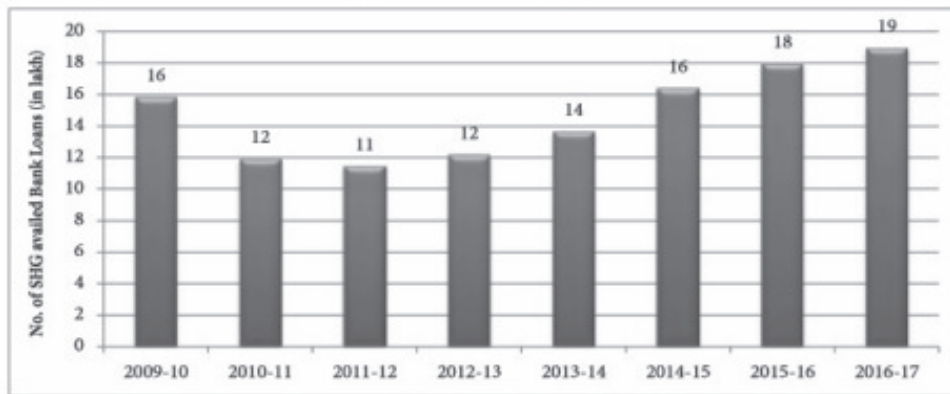
for 22.5% of the total savings by SHGs followed by Cooperative Banks by serving 18% of total number of SHGs and accounting for 14.4% of the total savings.

The year 2016-17 witnessed a 3.6% increase in the number of SHGs availing bank loans, as evident in the Figure below

No. of SHGs availing Bank Loan during 2016-17 from the Banking System

The year 2016-17 witnessed a 3.6% increase in the number of SHGs availing bank loans, as evident in Figure 5.5.

Figure 5.5: No. of SHGs availing Bank Loan during 2016-17 from the Banking System



Source: NABARD

Indicators: MFI Model	2017	2016	Change
Client Outreach	295 lakh	399 lakh	↓
Women Clients	96%	97%	↓
SC/ST Clients	20%	30%	↓
Other Minorities	10%	27%	↓
Rural Clients	61%	38%	↑
Gross Outstanding Portfolio	₹46,842 Cr.	₹63,853 Cr.	↓
Own Portfolio	₹32,944 Cr.	₹46,939 Cr.	↓
Managed Portfolio	₹13,898 Cr.	₹16,914 Cr.	↓
Avg. Loan per Borrower	₹12,751	₹11,425	↑
Income Generation Loan	85%	94%	↓
Female Staff in MFIs	12%	15%	↓
ABCO	426	440	↓
OER	10.50%	10.22%	↑
FCR	14.8%	13.83%	↑
Yield	22%	21%	↑
Margin	8.08%	10.00%	↓
OSS	114%	113%	↑
ROA	2.4%	2.2%	↑
ROE	13.31%	11.6%	↑
CAR	21.13%	19.39%	↑
Leverage	2.9	3.2	↓
Fund Flow (Outstanding)	₹33,923 Cr.	₹44,822 Cr.	↓
Equity Outstanding	₹3,615 Cr.	₹4,509 Cr.	↓
NPA	0.69%	0.15%	↑
SHG Model			
Total No of SHGs Linked	85.77 lakh	79.03 lakh	↑
No. of Families Reached	112 million	103 million	↑
Total Savings of SHGs	₹16,114 Cr	₹13,691 Cr	↑
Total No. of SHGs Credit Linkage	18.98 lakh	18.32 lakh	↑
Gross Loan Outstanding	₹61,581 Cr	₹57,119 Cr	↑
Total Loan Disbursed	₹38,781 Cr.	₹37,286 Cr	↑
Avg. Loan Disbursed per SHG	₹2,04,314	₹2,03,495	↑
Avg. Loan Outstanding per SHG	₹1,27,017	₹1,22,242	↑
NPA	6.50%	6.45%	↑

ii | The Bharat Microfinance Report 2017

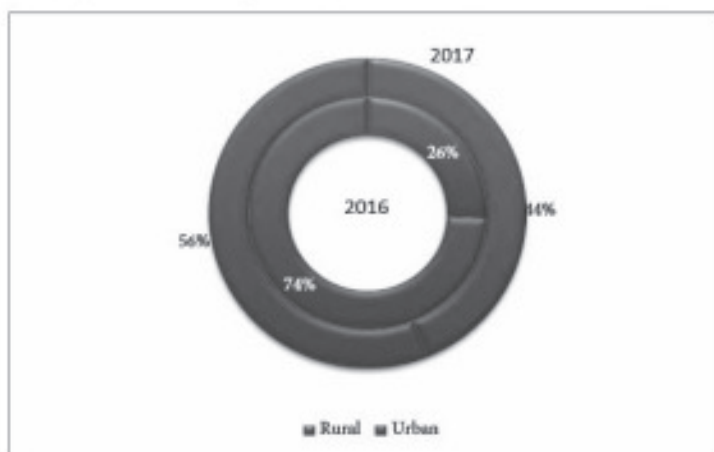
In 2017, total loan amount disbursed decreased by ₹19,898 crore over 2016, which is a fall of 28%, whereas the amount increased in rural areas by 23% and decreased in urban areas by 48%.

Table 2.8: Amount disbursed during the year 2017 and 2016

Loan Disbursement	Loan disbursed in 2017 (₹ in crore)	Loan disbursed in 2016 (₹ in crore)	Amount of disbursement increased/decreased in 2017 over 2016	Growth (%)
Rural	25597	20893	4704	23%
Urban	26849	51452	-24603	-48%
Total	52447	72345		

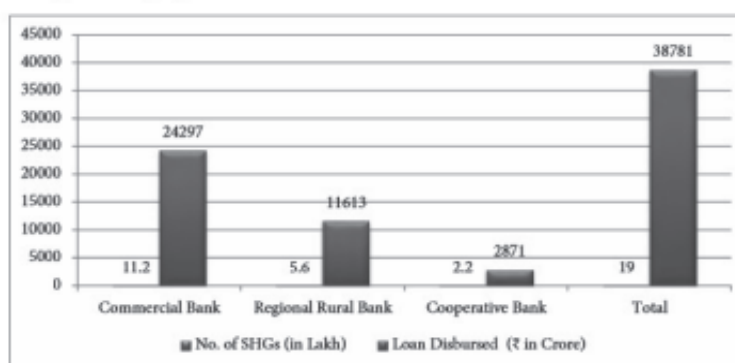
In 2016-17, 100 lakh loans had been disbursed in Rural areas which constitute 44% of total, whereas 128 lakh loans had been disbursed in Urban areas which constitutes 56%. Figure 2.21 depicts that number of loans in Urban areas had decreased and number of loans in Rural areas had increased over 2016 to 2017.

Figure 2.21: Percentage of Rural - Urban Share of No. of Loan Disbursed



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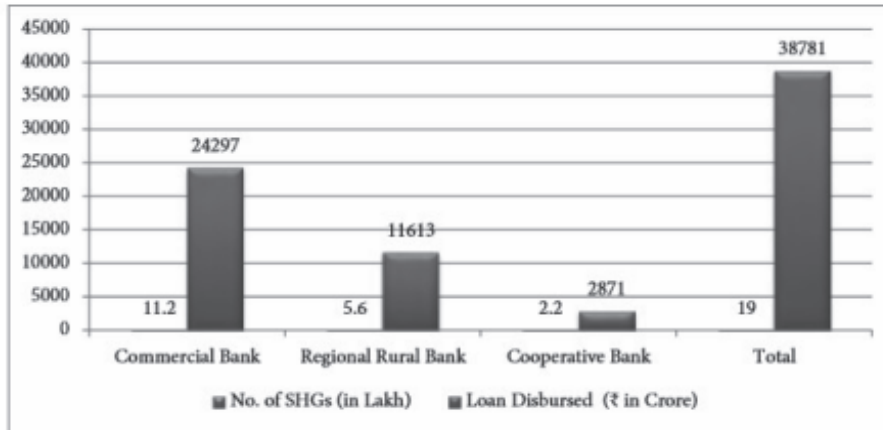
Figure 5.8: Agency-wise loan Disbursement - No. of SHGs and Loan Amount Disbursed



Source: NABARD

Agency-wise bank loan outstanding as against SHG as on 31st March 2017

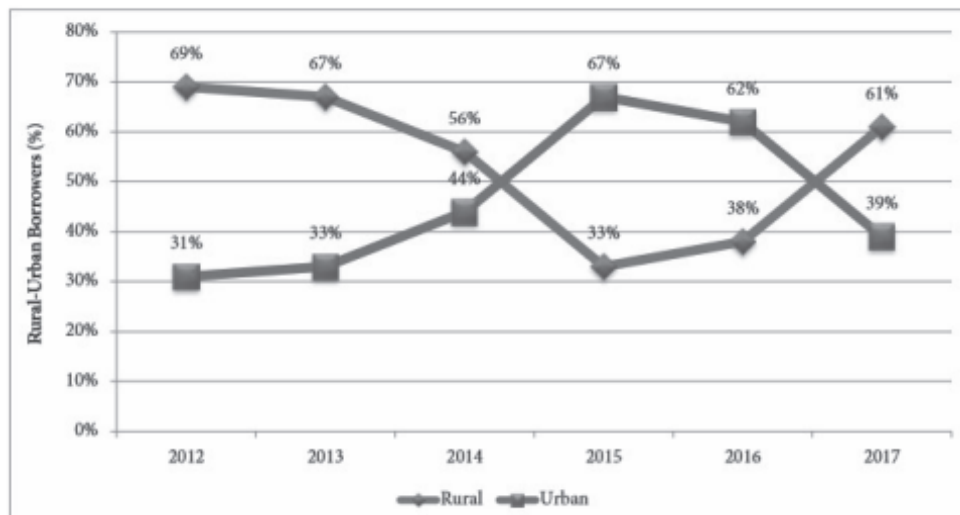
Figure 5.8: Agency-wise loan Disbursement – No. of SHGs and Loan Amount Disbursed



Source: NABARD

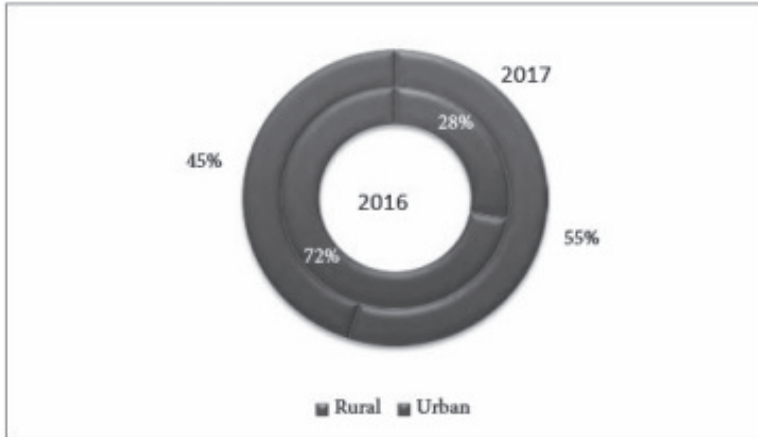
2014-15 can be described as a watershed year as far as the rural-urban divide in Indian microfinance is concerned. Hitherto Indian microfinance was touted as basically a rural phenomenon as compared to microfinance in Latin America as also in large parts of Africa and Asia. But that statement is no longer valid. A very interesting trend is seen in the rural-urban focus of MFIs. The share of rural clientele which was 69 % in 2012 decreased to 56 % in 2014 and has drastically come down to 33 %. The proportion of rural to urban clients for the year 2014-15 is 33% to 67%. In the year 2015-16, there was a slight improvement in the share of rural clientele which increased to 38% because of exclusion of Bandhan. In 2016-17, the trend of rural to urban is the reverse of trend of 2015-16 because of exclusion of 6 SFBs. One of the key findings from our research shows that small sized of MFIs are rural centric.

Figure 2.7: Trends in Rural - Urban Share of MFI Borrowers



Percentage of Rural-Urban share of Gross Loan Portfolio

Figure 2.11: Percentage of Rural - Urban Share of Gross Loan Portfolio



In 2016-17, the trend of rural to urban is the reverse of trend of 2015-16 because of exclusion of 6 SFBs.

Figure 2.11 indicates that the Gross Loan Portfolio in Rural areas is ₹25,959 crore which constitute 55% whereas the share of Urban areas is ₹120,882 crore which constitutes 45%. In the year 2015-16, share of Rural and Urban portfolio was 28% and 72% respectively.

Composition of borrowers : Category-wise

Table 2.4: Composition of Borrowers – Category wise

Year	% to Total Borrowers								
	Women Borrowers	SC/ST Borrowers	Minority Borrowers	Differently abled Borrowers	Borrowers having Aadhaar Card	BC Borrowers	Individual Borrowers	Borrowers having personal Bank A/c	Borrowers having BPL Card
2011	94%								
2012	95%	20%	23%						
2013	96%	21%	23%						
2014	97%	19%	14%						
2015	97%	28%	18%	0.05%	10%				
2016	97%	30%	27%	4%	18%	15%	3%		
2017	96%	20%	10%	0.12%	52%	23%	3%	22%	11%

Note: Data for SC/ST and Minorities is being collected from 2012; data for Differently abled borrowers and Borrowers having Aadhaar Card is being collected from 2015, data for BC Borrowers and Individual Borrowers is being collected from 2016 whereas data for borrowers having personal Bank A/c and borrowers having BPL Card started from 2017.

India's financial inclusion initiative expanded its presence manifold in 2010–2017. The number of banking outlets in villages increased from 67694 at the end of March 2010 to 598093 at the end of March 2017, comprising 50860 branches, and 547233 through branchless mode.

Table 6.1: Financial Inclusion Plan-Summary Progress of all Banks including RRBs²

Particulars	Year ended March 2010	Year ended March 2016	Year ended March 2017	Progress April'16-March' 17
Banking Outlets in Villages – Branches	33,378	51,830	50,860	(-)970
Banking Outlets in Villages – Branchless Mode	34,316	534,477	547,233	12,756
Banking Outlets in Villages – Total	67,694	586,307	598,093	11,786

CONCLUSION

Credit requirements of the rural poor are diverse and their requirements of credit are unlimited because they need credit different purpose i.e. credit as working capital, fixed capital and consumption credit etc. But the sources available are limited and coverage is scanty. Failure both institutional and non-institutional sources of credit to supplement credit needs of rural poor led to the emergence of different Alternative credit institutions over the recent years. The necessity of having alternative rural credit systems which will solve the problems of rural credit institutions is clearly warranted. This study examined the success of the evolution of micro finance as an alternative credit institution that solves the problems of moral hazard and adverse selection, crucial problems of rural credit institutions. Many studies show impact of micro finance programme on poverty, money lenders, women empowerment and living standards of the rural poor. Microfinance institutions are found to have characteristics that help to solve the problems of moral hazard and adverse selection, which other institutions failed to do. Group lending, peer monitoring and joint liability systems solve the adverse selection and moral hazard issues associated with rural credit markets. The adverse selection problem in rural credit markets is that the banks do not have proper information about the credit worthiness of the borrowers and therefore, in order to mitigate the risk of default, they will increase interest rates. This has the effect of excluding credit worthy borrowers from the scene. Another problem that exists in the rural credit market is moral hazard. Banks get wrong information about the liabilities and assets of borrowers and they may not have proper information about the profitability of the projects that borrowers are going to undertake. Because of this moral hazard problem banks are reluctant to provide loans to the poorer sections of the society. Under microfinance, the burrowers have to form self -selected groups and have to save some amount before taking loan from the micro finance institutions

A major challenge for micro-credit schemes in future is the viability of nonfarm economic activities. Two major problems are finding an economic activity that will yield a rate of profit necessary to cover the interest rate on the loan, and marketing of the produce. The main market for non-farm activities is in urban areas. When these activities are taken up by rural women the produced goods hardly meet the required standards of the urban market. It is more due to lack of proper education and facilities. Moreover, the

distance also imposes a cost of marketing, which plays against the group's objectives [Madheswaran and Dharmadhikary 2001]. There is a problem of covariate shocks, when the impaired repayment ability of some members coincides with the equally impaired capacity of other members to bail them out. The individuals may attempt to exploit economies of risks by grouping with others whose income streams are negatively correlated with theirs. In other words, heterogeneity among members with respect to economic activities or risk exposure is potentially beneficial for repayment rates. The experience of group lending shows that the basic principles of prudent banking have to be adhered to at all times. Delivering finance to the poor should not mean that loan evaluation and rationing are assigned a secondary place. On the contrary, loan size has to take into consideration the limited investment capacities and risk-bearing abilities of the rural poor. An objective and realistic project evaluation is necessary before loan approval. Yet it is important to ensure that this evaluation is not based on traditional forms of gender or age bias. Such biases, however deep-rooted, are totally misplaced. In a nutshell, micro-credit can play an effective role in achieving the long-cherished objectives of poverty alleviation and rural development by credit-deepening in rural India.

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The Role of Social Media in Employer & Employee Branding – A Descriptive Study of Micro, Small & Medium (MSME) IT Organizations in India

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ABSTRACT

The organizations of today are operating in a tumultuous environment. Amongst the plethora of factors driving the fierce pace of change, technology reigns supreme. The IT sector organizations have to bear the brunt of worldwide economic and political upheaval along with rapid knowledge obsolescence. The only way out for organizations towards sustainable competitive advantage rests on the quality human resources. MSME IT organizations face formidable challenge from IT behemoths in terms of Employer & Employee Branding. The lack of financial prowess of MSME IT organizations make it imperative to explore not so expensive modes of framing a long-term strategy aiming both at building a unique employer identity as well as managing perceptions of past, present and prospective employees. In keeping with the trend of increase in use and dependency on internet, it behoves MSME IT organizations to jump on the Social Media Bandwagon. A descriptive study was conducted on MSME and large IT organizations to reveal the impact of social media (Facebook, YouTube etc.) in terms of the guidelines to follow and the safeguards to be exercised.

In addition to sharing information through official social media pages or accounts, organizations also are represented on social media through the private social media activity of employees. For companies, the social media behavior of employees represents both an opportunity and a risk.

There has been little scholarly work exploring the role of employees in the branding process. 'Employee branding' is a process whereby employees internalize the company brand image and project that image to customers, job candidates and other stakeholders.

The organizations must foster employer and employee branding on social media. For this, identification of best practices and recommendations is a must. At the same time organizations need to focus on minimizing the negative effects otherwise it may open up a whole can of worms.

Keywords: *Employer Branding; Employee Branding; MSME Companies (Micro, Small & Medium Companies), Strategy, Social Media*

INTRODUCTION

In the new millennium, the competition for talent has become fierce. Organizations attempt to influence job seekers' application intentions and decisions favorably through several ways. In a global labour market, the key to success is attracting and retaining

the best talent, and brands are considered critical in attracting the best employees (Cappelli, 2001).

Employer branding focuses on creating the image of organizations as potential employers (Backhaus and Tikoo, 2004) and organizations deploy various employer branding tools to generate and maintain their image in the mind of prospective employees.

Major external employer branding tools used by organizations include campus reach, case study competitions, pre placement talks, campus brand ambassadors and participation in the best employer surveys (Saini, Rai, & Chaudhary, 2013). The recent tool in this basket is social media. Social media is increasingly used in employer branding and for recruitment purposes, and companies are increasingly investing resources in the use of social media platforms like Facebook, Twitter and LinkedIn (Davison, Maraist, & Bing, 2011; Sivertzen, Nilsen, & Olafsen, 2013). Over the years there has been an increase in the number of recruiters utilizing social and professional networks.

Social media recruiting being a recent phenomenon, there is a dearth of studies in this field with a few exceptions (i.e., Davison et al., 2011; Madera, 2012; Walker, Feild, Giles, Bernerth, & Short, 2011). Furthermore, social media as a tool is being used in multiple types of interfaces between an employee/potential employee and the organization.

With the expanding use of social media by companies for employer branding, it is imperative to study the impact of this media on achieving desired outcomes. Specifically, in this study, we examine different forms of social media employer branding activities and their impact on the intention to apply.

More than a billion people worldwide are users of social media, making it a logical platform for companies seeking to attract potential employees and engage consumers with their brands. In addition to sharing information on brand activities through official social media pages or accounts, organizations also are represented on social media through the private social media activity of employees. In their private lives, employees play multiple roles. They are free to share brand-related information, make comments endorsing the organization's brand, and display behaviors that are consistent (or at odds) with the brand values and promise. For companies, the social media behavior of employees represents both an opportunity and a risk.

When employees talk privately about their brands or the industries in which their companies operate, their comments often have more credibility with their network of contacts than when they speak about them in professional contexts. The employees internalize the company's philosophy and become the „Brand Ambassadors“ of the respective organizations in social networks. However, in many MSME IT organizations, this opportunity is only partially tapped. Although employers expect their employees especially younger ones – to promote employer's brand on social media, share its brand links and recommend the company to job candidates, it was found that on the whole employees displayed low brand engagement on social media

LITERATURE REVIEW

Employer brand is a tool adopted by companies to maintain a competitive advantage over the growing competition in the labour market. The four main reasons due to which employer branding has received an increasing amount of attention in the human resource management field as well as in the marketing communities are (i) “brand power, (ii) HR’s search for credibility, (iii) prevailing labour market conditions and (iv) employee engagement” (Jenner & Taylor 2007). Employer branding is likely to generate competitive advantage in the form of low employee attrition, high job satisfaction, employee engagement and customer loyalty (Miles & Mangold, 2004). Thus, employer branding is considered as a strategic lever (Moroko & Uncles, 2008), and desirable for an organization (Barrow & Mosley, 2005). In the post-2009 era, after a period of recession, companies are expanding nationally as well as globally. This requires them to hire a talented workforce. In addition to recruiting new talent from the volatile labour market, it is becoming more difficult for companies to retain their existing talent due to changing demographic patterns, lack of skilled employees in knowledge-based organizations (Ewing, Pitt, de Bussy, & Berthon, 2002), and high cost of recruitment, selection and training due to attrition (Douglas, Hill, & Conger, 2008). Therefore, companies are revisiting their old model of recruitment and becoming more sensitive to the newer trends in this area; employer branding through the internet and social media is one such new trend. Social media includes online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content. Ranging from social networking sites like Facebook, LinkedIn, etc. to Wikis, blogs, podcasts and video sharing sites, social media has an entire gambit of interfaces to its name. The World Wide Web has provided new avenues for information sharing and interaction in an entertaining manner through social networking sites. With the penetration of the internet and smart phones, companies are able to explore newer media to interact with prospective

employees. Job advertisements can be shared online and candidates’ interest in a particular vacancy can be solicited through social media with a cost lower than before (Borstorff, Marker, & Bennett, 2005). Moreover, passive job seekers can be identified through internet channels (Cappelli, 2001). Use of social media in recruitment, which is analogous to advertising job vacancies on the internet, is now considered as an acceptable method of sourcing employees (Davison et al., 2011) as it generates benefits like low cost, wider reach, quick turnaround time with respect to contact and activities. Evidence shows that the internet facilitates the recruitment process, both for the job seeker and job provider (Borstorff et al., 2005; Walker et al., 2011) and social media can also be used for attracting potential employees (Davison et al., 2011). Sivertzen et al. (2013) suggest that it is important to understand the effect of social media activities on the candidate’s application intention. However, studies examining the impact of employer brand equity on the intention to apply are rare. Also, literature is generally silent on the effectiveness of social media in generating favorable intention to apply. As a means to establish a better employer brand among its current and potential employees, companies are making use of social media tools to maximize the benefits of their

employer branding efforts. Moreover, the use of social media is not merely restricted to employer branding; it is also being used as a viable recruitment channel. Many companies have launched their campaigns across all social media to impact their audience in every possible manner.

Employee branding the new kid on the block is a process of training employees and making them understand their responsibilities and duties with proper motivational factors to reach and build good brand image of the organization in front of the customers.

Employee branding has achieved a great acceptance by various MNCs as a strategic tool in their competitive arena. To manage employee brand image an organization must send frequent and consistent messages to the employees to keep them updated and motivated and let them feel that they are the integral part of the organization in brand building and other business operations. (Kumar, 2014). Consistency in throwing frequent messages develops employees psychological ability to better understand the strategic intent of the organization and use this to deliver his best to the customers.

OBJECTIVES

To chalk out employer and employee branding initiatives through social media for MSME IT organizations and the safeguards required for prevention of potential misuse by the employees.

RESEARCH METHODOLOGY

To study social media activities, companies were chosen based on their presence and activeness on social media platforms. MSME IT Research (e.g., Vries et al., 2012) shows that the total number of likes is a measure of success of a company's social media marketing activities. Thus, for this study, we used the number of likes on their Facebook pages as the main selection criterion. Companies specially design their Facebook pages to interact and communicate with potential talent and the number of likes represents the number of people following the company page. These people would be getting daily updates in the form of newsfeed from the company's Facebook page which includes information about the company, various forms of interaction tools (questionnaires, quizzes) with the applicants, videos and images to pass on information in an entertaining way. Another important consideration was whether companies are currently active recruiters and are likely to recruit young graduates in the near future too. With the onset of technology, the use of social media also plays an important role on the exposure to the users; hence, this too was captured.

In this study qualitative research is used to ensure that all aspects of Employer & Employee Branding (that are related to a comparative picture of Large vs MSME IT organizations, as well as initiatives required by MSME organizations to build and maintain a robust brand are taken care of.

This was analyzed through qualitative, unstructured interviews. They are suggested by Easterby-Smith, Thrope and Lowe (1991) as appropriate method when they are used to get some general input on a subject, to develop a general understanding of respondents' opinions and beliefs, if the subject is confidential or personal and to get

clarity on a process (Collin & Hussey, 2009). The twenty (20) respondents selected were Senior HR Managers as well as Senior Managers from other Departments of large as well as MSME IT organizations. All these companies have gathered first hand experience in employer branding. Only when these facts are present, the required information can be derived in the interviews. Regarding the sample size, 15-20 interviews should be a scientifically valid number of respondents (Mason, 2010).

STRATEGIES FOR EMPLOYER & EMPLOYEE BRANDING USING SOCIAL MEDIA

The MSME IT organizations face business challenges from the large established ones. However, the small organizations can address the issues of employer branding by building capability, strengthening the existing framework and framing and executing robust strategies focusing on the power of social networks.

The perceived notion among the IT professionals and general public about the large companies is fuelled by „Fairy-Tale Stories“ of companies achieving billion-dollar valuations during the period of a few years. The lucrative salary, learning opportunities, global exposure and fancy working environment with a number of freebies allure IT professionals and others

With Governments seeking to enable economic growth, the IT sector looking to acquire the next disruptive technology and investors in search of high growth potential, the tech start-ups and MSMEs have never been more in demand. Concerning the relationship between firm size and economic growth, there is consistent evidence that a large share of MSMEs spurs economic growth at the industry or national level. Start-ups and MSMEs play an important role in developing and commercializing innovations.

The researchers had interaction with a number of senior executives of IT companies (both large and MSME) which busted the myth about the working condition, type of jobs and perquisites offered by the MSME companies. The summary of discussion reveals the following factors which are found in MSME IT organizations –

a) Good Salary; b) Learning Opportunity; c) Relaxed Entry Level Qualification; d) More On-site Opportunity; e) More Projects; and f) Visibility and Focus.

Apart from this, literature survey yielded the following reasons as to why one should consider working for a small company. MSME companies need to propagate these factors subtly to the prospective employees through appropriate form of social media. These include –

i) Testing Ground; ii) Autonomy; iii) Easier to Implement Ideas; iv) Easy Access to Top Management; v) React Faster to Change; vi) Promote from Within; vii) Employee Contribution and Sense of Ownership; viii) Greater Job Satisfaction and Opportunity to Expand Skills; ix) Recognition; x) Cooler and More Interesting Perks;

The brand image of large IT organizations, both as providers of superior and technologically advanced products and services and also as a preferred employer is paramount in the mind of consumers and existing/potential employees.

In the „War for talent“, therefore the MSME IT companies have to walk that extra mile. Each company after re-examining the trend in a volatile business environment and

competitors (both MSMEs and large organizations) strategy need to focus on the two elements of employer branding – a) Employee Value Proposition (EVP) and b) Employee Experience. EVP (the unique and

differentiating promise a business makes to its employees and potential candidates), Employee Experience (actual delivery of the promise throughout the employee lifecycle) and Brand strength (attracting right candidates, employee engagement, differentiation from the competitors and customer engagement) are the building blocks of Employer and Employee Branding. Employee branding initiatives through social media (proper choice of media) would provide a cutting edge for MSME organizations.

The initiatives that MSME IT companies may adopt to compete with large ones for top talent utilizing social media are the following :

- i) Elicit top management support towards using social media for employer and employee branding;
- ii) The organization need to specifically focus on – a) appealing job description; b) company's differentiating factors; c) Creative Benefits, Perquisites and Packages offered; d) Build a Culture of Fairness and Diversity along with Women empowerment;
- iii) Use Social Media judiciously;

Employee Branding strategy requires careful considerations. Apart from a handful of large IT organizations its application is yet to catch up with the rest even today.

However, there is strong possibility that employees go rogue and drift away from corporate brand representation. The drive for a full merger of the organization and the individual demonstrates selfishness on the part of the organization. The willingness to merge one's sense of self with organization demonstrates a psychological immaturity on the part of the individual. Neither organizational selfishness nor psychological immaturity is good on their own, and together, in an organization, it can get ugly.

Certainly, a little bit of employee branding is a great idea, but too much reliance on employee branding sets the stage of exploitation.

Questions arise as to how an organization responds to negative online reviews. According to one study reported in the Society of Human Resources Management the following are some techniques to protect an employer brand a) Respond – to online criticism in a way that shows the organization is genuinely committed to improving; b) Create – intranets for employees to expose concerns internally before they turn to outside sites; c) Ask – Current employees including new hires to comment about their application process and work experiences on review sites; d) Mine – Online review sites for actionable aggregated data;

Some experts opine that asking the employers to respond to negative online reviews with positive online reviews can backfire because they may look superficial. However such negative reviews are often refuted by passionate employees before a social media team or Reputation Management plan is put in place.

The best way to handle negative employee reviews is to rise above the negatively. The company may apologize to a disgruntled employee. Sometimes silence is considered the best response.

Many leading organizations encourage their employer to become “brand ambassadors” to consumers and job candidates on social networks such as LinkedIn and share the company culture on Facebook and Twitter. Managers of several companies covered by this study were surprised to learn that their employees were not following them on Facebook or other popular social media sites such as Twitter, Instagram, and LinkedIn. The most frequently used social media platforms were YouTube and Facebook, with a median usage between one hour and three hours per week.

We studied employee-branding behaviors on social media based on four dimensions: word of mouth, endorsement, sharing, and culture. As a starting point, employers can conduct anonymous surveys about employee behavior on social media with regard to the company brand. This can sensitize employees to how their engagement on social media can benefit the employer brand.

Surveys can be broadened to include evaluations of employee job satisfaction and employee voice, which are two strong antecedents of willingness to participate in employee branding. However, it was found that even when employee satisfaction is high and employee voice is valued inside the organization, most employees are not as engaged as expected. Young adults are more likely to become brand ambassadors for the company on social media. But an employee's age does not necessarily dictate the role he or she plays in promoting a brand on social media. As long as employees understand the role they can play on social media and how to engage with it, brand-building behaviors are similar across generations.

Consequently, the first step toward building a collective digital culture may be to encourage digital natives to set the tone and help remove the psychological barriers senior employees feel toward social media engagement. This can involve “reverse mentoring,” where younger employees help their colleagues increase their social media competence. Managers at several companies expressed concern that their employees were neither fans of their Facebook pages nor following their employer brand on Twitter, Instagram, or LinkedIn. In today's social media-focused environment, employees are often a valuable source of information for both customers and job candidates.

CONCLUSION

In today's scenario of war for talent, employer as well as employee branding have become important strategies for MSME IT organizations to attract the best talent. It can be concluded that MSME IT organizations must adopt social media strategies as a prominent tool to create brand equity and attract the best talent in an inexpensive yet effective manner. In addition to traditional media of employer branding, due to the changing profile of job seekers, social media platforms should be considered seriously in promoting the organization as an employer.

This study has the following important implications for MSME IT organizations: (i) since the use of the internet and social networking sites such as Facebook, MySpace and

LinkedIn for recruitment and selection is increasing (Davison et al., 2011), organizations need to seriously assess the basket of recruitment tools and modify their HR practices according to the changing patterns. A systematic assessment of cost-benefit analysis of each method should be carried out. (ii) Organizations would continue to use a variety of methods for recruitment; therefore, it's important to examine the relative effectiveness of each method. Resource allocation in each recruitment method must be justified on the basis of effectiveness parameters. Also, relative effectiveness of each social networking site should be examined before designing a comprehensive policy on the organization's use of social media because evidence shows that social networking sites differ in terms of clientele (Atal, 2007; Levy, 2007). (iii) Considering the generational differences and multiple segments in the labour market, appropriateness of traditional versus internet/social media methods as a tool of recruitment should be examined. (iv) An organization can use social media activities to create employer and employee brand equity; however, it must be noted that social media users can also erode the organization's reputation as an employer or otherwise by sharing a single negative experience with other members of social media (Davison et al., 2011). Thus, specialized resources/employees should be dedicated for monitoring the effect of social media activities on organizations in general and recruitment in particular on a real-time basis. As of now, a majority of organizations do not have a formal policy for social media sites (Deloitte, 2009; SHRM, 2008) and 82 percent of recruiters are not fully skilled to handle social media recruiting (Jobvite, 2014). (v) Designing a social media campaign would require good knowledge of promotion strategy, branding, media planning and execution; therefore, HR managers can capitalize on the marketing talent available within and outside the firm. This study offers important implications for HR practitioners.

LIMITATIONS OF THE STUDY

Employer branding is a complex concept. Although a rage for large IT organizations, this concept and its application is yet to spread to a large part of MSME IT organizations. Employee Branding initiatives utilizing social media albeit inexpensive have not been explored adequately.

An empirical study covering a number of MSME IT organizations and collecting primary data from different groups/categories of employees would unravel different innate factors as compared to a qualitative/descriptive study as the present one.

FUTURE RESEARCH POSSIBILITIES

A composite theoretical model of Employer and Employee Branding containing all the relevant factors (antecedents and consequences) may be developed for MSME as well as large IT organizations. A broader empirical study can be conducted covering a broad base of samples so as to reach effective, accurate and scientific findings with primary data. The study may focus on social media initiatives with concomitant aberrations and steps to be taken for the alleviation.

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An Analysis of the Twin Pillars of the Banking in India: Financial Literacy and Financial Inclusion

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ABSTRACT

The need for financial literacy (both, educational theory & practice) and its importance for financial inclusion (relationship and results) have been widely recognised. Based upon literature review and various research studies on financial literacy initiatives, this research paper is an attempt to bring to the fore a dimension/correlation between Financial Literacy and Financial Inclusion and how customising financial literacy programmes in India according to the stage of life of targeted individuals is crucial for their effectiveness in order to achieve greater penetration of Financial Inclusion.

Keywords: *Financial inclusion, Financial literacy, Financial education, Banking, Educational theory & Practice*

“The future of our country depends upon making every individual, young and old, fully realize the obligations and responsibilities belonging to citizenship...The future of each individual rests in the individual, providing each is given a fair and proper education and training in the useful things of life...Habits of life are formed in youth...What we need in this country now...is to teach the growing generations to realize that thrift and economy, coupled with industry, are necessary now as they were in past generations.” **Theodore Vail, President of AT&T and first chairman of the Junior Achievement Bureau (1919, as quoted in Francomano, Lavitt and Lavitt, 1988)**

“Just as it was not possible to live in an industrialized society without print literacy—the ability to read and write, so it is not possible to live in today’s world without being financially literate... Financial literacy is an essential tool for anyone who wants to be able to succeed in today’s society, make sound financial decisions, and—ultimately—be a good citizen.” **Annamaria Lusardi (2011)**

INTRODUCTION

Government agencies around the world today are recognising the benefits to individuals and national economies of having a financially literate population that has access to appropriate financial products with relevant consumer protection in place. In recent

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years, the G20 (World Bank) has endorsed upon three sets of principles in this regard i.e. financial consumer protection, financial inclusion and national strategies for financial education, indicating firm commitment towards financial integration, thus bringing out the importance of Educational theory & practice, relationship and importance of Results. A measure of financial literacy can be used to indicate the need for level of financial education across population and more detailed analysis can be useful to identify aspects related to it that need the targeted support.

FINANCIAL LITERACY (EDUCATION)

Financial literacy is an understanding of the most basic economic concepts education needed to make saving, borrowing and investment decisions. Financial Literacy is the base and primary step for financial inclusion (Education and the results). It provides knowledge on merits and demerits of financial products and services, based on that an individual can select the right product which suits his/her needs. In the words of **Shri Pranab Mukherjee, (2013)** financial literacy refers “Financial literacy and education plays a vital role in financial inclusion, inclusive growth and sustainable prosperity”. Financial Education ensures that financial services reach the weaker sections of the society. In order to improve the awareness around financial literacy, several schemes have been implemented by the Reserve Bank of India (RBI), the Security and Exchange Board of India (SEBI), Insurance Regulatory Development Authority, Pension Fund Regulatory and Development Authority (PFRADA).

An efficient financial market depends upon its participants, making rationale and prudent decisions. Financial literacy is an effective tool for financial inclusion, as they both go hand in hand. Accordingly, the need for FL and its importance for FI have been acknowledged by most of the stakeholders - policymakers, bankers, practitioners, researchers and academics – across the globe.

FINANCIAL INCLUSION

Financial Inclusion has become the buzzword. What is Financial Inclusion? Dr.Rangarajan’s committee on financial inclusion defines it as:”Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.”The financial services include the entire gamut - savings, loans, insurance, credit, payments etc. People who are financially excluded are mostly poor and financially illiterate.

So far, the focus has only been on delivering credit and has been quite successful. Similar success has to be seen in other aspects of finance as well. Accordingly, the first question that comes to mind is why can’t financial inclusion happen on its own? Why do we need to make a policy to increase the same? Like any other product or service, why can’t it find a market of its own? The reasons could be:

Financial exclusion in general, High cost of financial services, Non-price barriers (Access to formal financial services - distance between the bank and their residence, poor infrastructure etc., proof regarding a persons’ identity, income etc.), and Behavioural aspects (missing comfort of using formal financial services, difficulty in understanding

language, various documents and conditions applicable). These reasons go on to show that financial inclusion will not happen on its own.

OBJECTIVES OF THE STUDY

To study the correlation between Twin Pillars of Banking in India Financial Literacy (Education Theory) and Financial Inclusion (Practice) and importance of the same

EXCERPTS FROM RELATED LITERATURE

As per the literature review, it is seen that the status of financial literacy is not satisfactory in India, especially in rural areas. According to a survey conducted by Standard & Poor's, over 76% Indian adults lack basic financial literacy and they don't understand the most basic and key financial concepts. In rural area people keep their saving in their homes which fetches them no interest and is risky too. They borrow from local money lenders charging them high interest rates. Moreover, traditional methods of availing financial services are more popular in rural areas. Some of the steps initiated by various leading institutions in India for increasing financial literacy are as follows.

- a. RBI Reserve Bank of India (RBI) under its Financial Initiative programmes has undertaken a project titled 'project financial literacy' the objective of this project is to provide information about RBI and general banking concept to its target people especially villagers, women, students of schools & colleges, senior citizen, defence people etc. These informative projects disseminate information regarding RBI, basic banking, microfinance and benefits of availing services of SHG, risk capacity analysis etc.
- b. Securities and Exchange Board of India (SEBI) runs campaign called securities market awareness campaign (SMAC) under motto "an educated investor is a protected investor". Under this campaign SEBI conducts various work shops across the country. To undertake financial education to various target segments viz. school students, college students, working executives, middle income group, home makers, retired personnel, self-help groups etc. Programs/workshops on various aspects viz. savings, investment, financial planning, banking, insurance, retirement planning etc. are organised.
- c. Insurance Regulatory and Development Authority (IRDA) organises awareness programmes on television and radio and simple messages about the rights and duties of policyholders, channels available for dispute redressal etc. in English, Hindi and other Indian languages.
- d. The Pension Fund Regulatory and Development Authority (PFRDA) has been engaged in spreading social security messages to the public. It has developed FAQ on pension related topics on its web and has been associated with various non-government organizations in India in taking the pension services to the disadvantaged community.
- e. Commercial Banks: In view of the national emphasis on electronic benefit transfer the commercial banks have initiated various measures for creating awareness through Financial Literacy and Counselling Centers and Rural Self Employment

Training Institutes on financial literacy. The objective of these centers is to advise people on gaining access to the financial system including banks, creating awareness among the public about financial management, counselling people who are struggling to meet their repayment obligations and help them resolve their problems of indebtedness, helping in rehabilitation of borrowers in distress etc. Some of these credit counselling centers even train farmers/women groups to enable them to start their own income generating activities to earn a reasonable livelihood.

- f. Similarly, Stock Exchanges, Broking Houses and Mutual Funds have initiated efforts in the field of financial education like conducting seminars, issuance of do's and don'ts, and newspaper campaigns.

Financial literacy is rapidly being recognised as a core skill, essential for consumers operating in an increasingly complex financial landscape. It is therefore no surprise that governments around the world are interested in finding effective approaches to improve the level of financial literacy amongst their population and that many are in the process of creating or leading a national strategy for financial education to provide learning opportunities throughout a person's life (OECD/INFE, 2013b). The OECD definition of financial education goes like this - "Financial education is the process by which individuals improve their understanding of financial products and concepts; and through information, instruction and/or objective advice develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being and protection (OECD 2005a)".

Accordingly to an article on Financial Inclusion as published in The Economic Times, "No matter how many banks you open and how many boots you have on the ground, if a person does not know about the financial options that are open - policies, schemes and financial instruments will mean little. It is important for a person to firstly know what to look for and only then think of the benefits that he can obtain from it."

METHODOLOGY

In the absence of not much of data being available on the subject yet and in order to draw an inference about the relationship between Financial Literacy and Inclusion, two pronged methodology has been adapted here – *First*, an **assumptive approach** - studying the life cycle financial services needs of a normal human being. While doing the above, have kept the financial cum social status as constant. *Secondly*, **secondary data collection** from the RBI website on state-wise statistics published related to education and practice as available in public domain

Analytical Research: Financial Literacy and Financial Inclusion: assumptive approach

Life cycle of an individual - children initially stay with parents and go to school. Following studies, they may move out of the parents' house and begin to live on their own. They then get married, form a couple and start their own family. By this stage, the parents are old, with reduced income levels because of lower physical capacity to work. They seek

support from their children who have just been endowed with new responsibilities of a family, with children of their own to raise. The cycle continues with these children getting educated, moving out to find a job and then eventually raising their own families, while assisting their parents.

Story of a typical household involves an *exchange of dependency and responsibilities* at each stage. Considering just the financial services' needs of the household over its life cycle, we observe that both are specific to the stage that the household or individual is in at a given point of time. For instance, as a school going kid (in his/ her teenage), an individual might require know-how of savings so that he/ she can save pocket money or scholarship and utilise it effectively. A young person who has just started working and receiving a salary, would require a banking service, complex investment products (given that youth are more inclined to risk-taking and are open to experimentation) and remittance services that would enable him/ her to send a portion of earnings to parents who are not able to do as much physical labour as they could earlier. As time progresses and the individual gets married and starts a family, he/ she is required to think about safer financial products and longer term investments. His/ her dependency ratio is highest at this point – both children and parents are dependent on the individual. As the individual becomes older, simple banking services are required to access remittances transferred by children, and welfare transfers from the government.

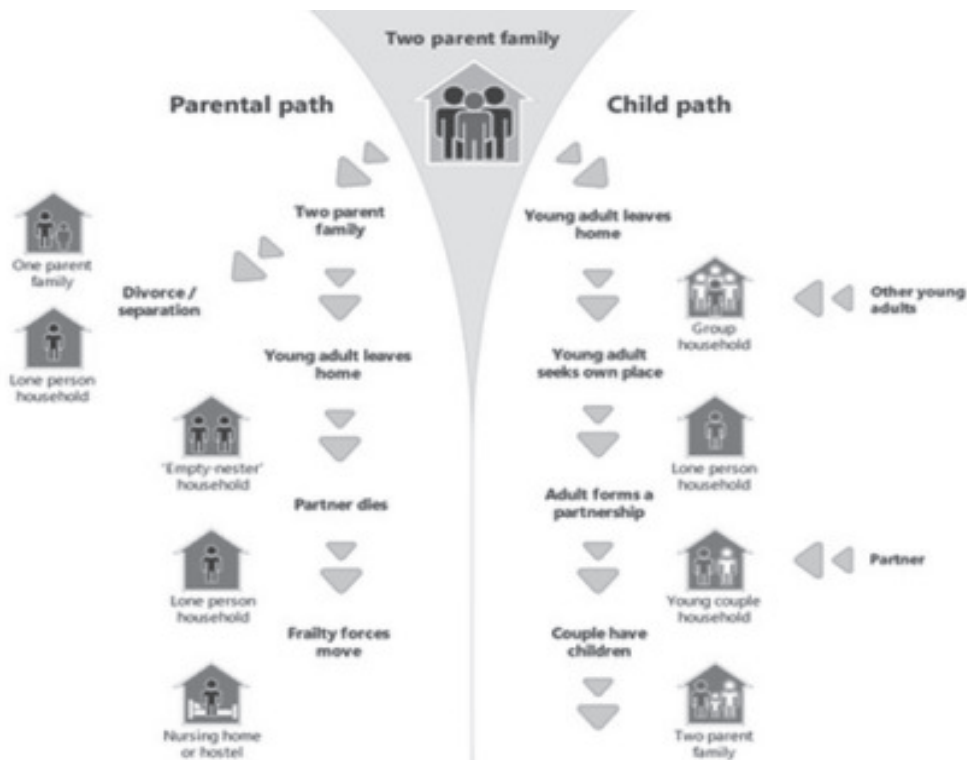


Figure 1: Life cycle of an individual/ household

Credits: This figure is based upon studies conducted by IFMR on the subject of financial literacy

Considering these specific financial services' requirements at various junctures in life, we find four educational/teachable moments: school-going child (grown up enough to understand money and saving), youth (stepping into employment), middle-aged (married, and starting a family), and old age. These are the specific stages of transition in one's life, when the need for financial products/ services takes a leap highlighting the importance of understanding aspects related to these stages and to make the right financial decisions.

Post understanding the above mentioned stages of one's life cycle – various efforts have been made by Government, RBI, Commercial Banks, NGO's, NBFC's, MFI's, Business Correspondents, IRDA, PFRDA, Mutual Funds and other relevant bodies in the space of Financial Education. The theory and the practice have brought about the following appreciable/noticeable results: that as of 31st March, 2016 financial inclusion (Result) in the country stands at more than 67%. Thus, proving that there is a high correlation between the two. To substantiate our above approach, researchers have gone ahead to prove the same through a set of data as below.

Data Collection, analysis and Hypothesis: Financial Literacy and Financial Inclusion

Data Collection

Secondary data has been collected from the RBI website – statistical section. Secondary data is the data that have been already collected by and readily available from other sources. Such data are quickly obtainable than the primary data and also comes handy when primary data cannot be obtained at all. Researchers are well aware of the advantages and disadvantages of secondary data and the same have been kept in mind while conducting the data analysis.

Data Analysis

As per 2011 census the average literacy (both, men and women taken together) rate of all states & Union Territories (UTs) taken together is 78%, Kerala being the highest literate state & Bihar having lowest scores of 63% in the data analysed. Similarly in terms of 'Number of Saving accounts per 100 populations' is highest in Puducherry having 183 account per 100 populations and lowest in Nagaland with 53 accounts per 100 population.

	Mean	Std. Deviation	N
LITERACY	78.3042	8.26601	36
DEPOSIT	1.3790E2	65.64117	36

Chart 1: Descriptive Statistics

From the Pearson coefficient of correlation as shown in Chart 2 below, it clearly brings out the '**Positive correlation**' between both the variable literacy and saving accounts in other words 'literacy' with 'financial inclusion'.

		LITERACY	DEPOSIT
LITERACY	Pearson Correlation	1	.452**
	Sig. (2-tailed)		.006
	N	36	36
DEPOSIT	Pearson Correlation	.452**	1
	Sig. (2-tailed)	.006	
	N	36	36

Chart 2: Correlations.** Correlation is significant at the 0.01 level (2-tailed).

Where, Sig (2 Tailed): Significance Level

N: Number of cases

The above SPSS output shows there is 45% correlation between literacy (THEORY) and financial inclusion (PRACTICE) and the result is statistically significant as the level of Significance is 0.006. Please refer chart 2 above.

Scatter plot between Dependent Variable – Deposit and Independent Variable – Literacy

The pictorial representation through scatter plot (Chart 3 below) shows is quite interesting and following observations need special attention:

1. Delhi, Chandigarh & Goa are among the top states with number of deposit accounts however, the literacy rate is not highest in these states. This may be due to availability of labour, employment, industries, and various income generation activities.
2. Excluding the 3 states mentioned earlier, there is seems to be a perfect linear relationship between the variables
3. Though Manipur & Nagaland have literacy rate more than 80% however the number saving accounts is lowest as can be seen, this may be due geographical reasons, unavailability of infrastructure, poor connectivity, migration etc.

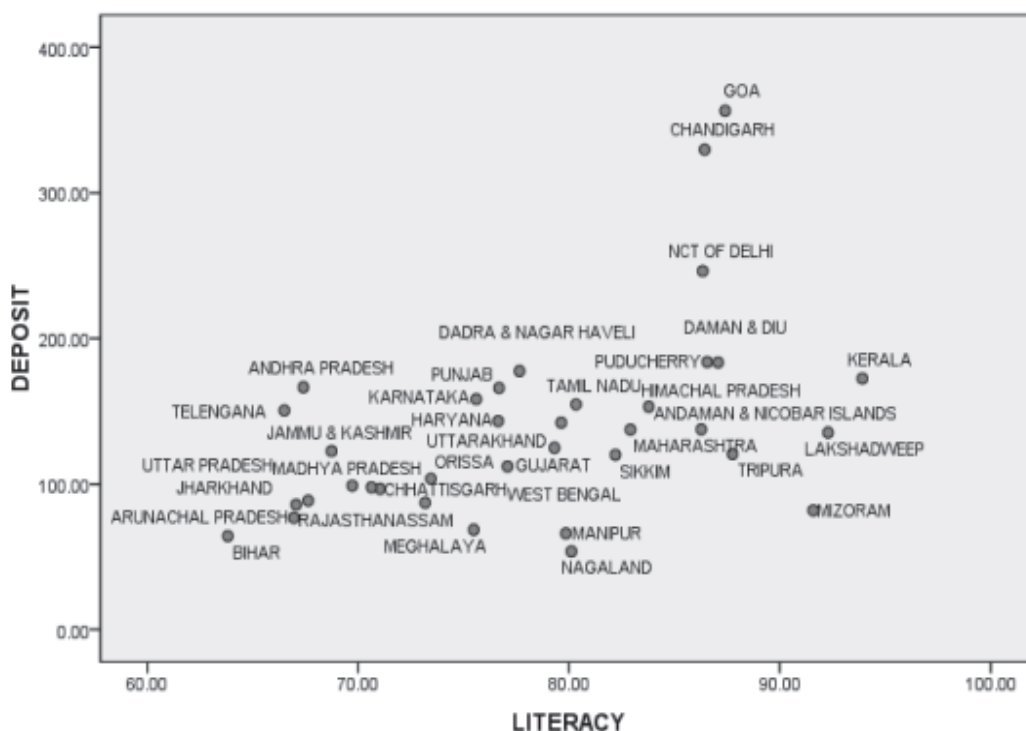


Chart 3: Relation between Savings Accounts and Financial Literacy

Regression:

SPSS output of bivariate linear correlation between financial literacy and inclusion states that both variable are positively correlated and are independent variables – literacy explains 20% of the variation in the dependent variable and the result is significant with level of significance 0.6%. Please refer to chart 4 and 5 below

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.452 ^a	.204	.181	59.40538

Chart 4: Model Summary^b

a. Predictors: (Constant), LITERACY

b. Dependent Variable: DEPOSIT

Where, R : Coefficient of correlation

R Square: Coefficient of regression

ANOVA^b We have a null hypothesis that ‘the literacy rate has no impact on ‘number bank accounts’, however the ANOVA (Analysis of Variance) through SPSS programme provide a F^* value of 8.73 which is higher than the ‘F Critical value’ i.e. $F(0.05, 1, 34) = 4.13$ with a probability level 0.05, hence we reject the null hypothesis and accept the

alternative hypothesis 'Literacy has impact on the number of Bank Accounts.

Chart 5

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30820.736	1	30820.736	8.734	.006 ^a
	Residual	119985.990	34	3529.000		
	Total	150806.726	35			

Chart 5

a. Predictors: (Constant), LITERACY

b. Dependent Variable: DEPOSIT

The predictive value of the dependent variable 'Number of Saving Bank Account per 100 populations' can be calculated by the equation 'Number of Saving Bank Account per 100 populations' = 3.59 * Literacy % + (-143) where -143 is constant of equation and 3.5 is the slope of equation. Please refer to chart 6 below.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-143.211	95.636		-1.497	.143		
	LITERACY	3.590	1.215	.452	2.955	.006	1.000	1.000

Chart 6

a. Dependent Variable: DEPOSIT

RESULT

Nature of Educational theory & practice has strong relationship and has great importance, thus, bringing in excellent results: The above research goes on to explain the same in terms of Financial Literacy & Financial Inclusion - one of the important major agendas of the Government, Policy makers and various other stake holders in Indian Sub-continent today. Financial Literacy and Inclusion goes hand in hand, they complement each other and are highly correlated proving themselves as the twin pillars of Banking in India.

LIMITATIONS

As is the case with any other such research, the effectiveness of the relationship so presented between theory and practice is heavily determined by the quantity and quality of data that flows into it. Since the parameters were carefully chosen on the basis of the kind of data that is available in the States and with various other stakeholders, the scope of this research is perforce restricted at the moment to assess the level of financial literacy and financial inclusion at the geographical level. The silver lining, though, is that the correlation seems so tempting that it goes on to say that the derived values prompts to say that as and when more varied, reliable data becomes available, the scope of the

above study can be expanded to measure the contribution towards financial inclusion by each city/district/village and even banks and nonbanking financial companies, as well as accommodate more parameters and refinements and encompass other forms of lending (such as by non-banking financial companies) and other financial services (including insurance and pension). The conclusions of the report are critically dependent on data received at the State level, and the scholars have not independently verified the accuracy of this data. However, this has no bearing on the final conclusions. Another limitation is that the data used in the analysis is granular in nature, and therefore, is available only with a lag. This report, for instance, assesses the extent of financial inclusion as on March 2016 along with Literacy rates as available both for Male and Females separately as per 2011 census data. Dimensions like cost of transaction and ease of doing transactions have not been considered due to non-availability of the reliable data, data related to various other aspects of financial inclusion, like; insurance, payment and remittances etc. have not been considered on account of non-availability of consistency and authenticity.

CONCLUSION

Financial literacy is a key factor to financial inclusion and a necessary pre-condition for success in its drive. Both, financial literacy and inclusion needs to be treated as twin pillars (Theory and practice goes hand in hand and understanding of each other is mutually dependent). Without increased financial literacy, people will be increasingly at risk of making poor financial decisions which leave them to confront financial hardship, including an insecure old age. Financial literacy is making people aware of what they can and should expect from the banking sector, as their right. In this context, financial literacy and inclusion are a win-win opportunity for the poor, for the banks and for the nation as a whole. There is urgent need for concerted efforts, focus and improvement in the space of education. Whatever products are available today are not known to the majority of the population especially, in the rural areas. The situation can be improved by banks / Government by opening number of inclusive banking innovative outfits, wherein staff can explain rural people about different financial products and their benefits. Efforts should be made to make the poor people confident in coming to the bank branches and connecting with main GDP streamline of the country. Even the staff of rural branches needs to be trained to deal with rural people. Various IT tools can be used for providing financial services at their door – steps to build their confidence. Savings account opening and loan sanction / disbursement process should be kept simple as far as possible. Thus, it is clear that financial literacy is a must for financial inclusion. Population should have proper knowledge, behaviours and attitude then only successful implementation of financial inclusion plan can be achieved. Financial service providers needs to focus on financial literacy, simple and flexible products and speedy transactions.

Even though there is no blueprint to a successful financial literacy programme as yet, the efforts that are being put in by stakeholders to empower people while making them financially literate are commendable (in order to achieve the objective of greater Financial Inclusion) but need to be more focused and customised as the rule of 'one size fits all' doesn't seem to apply. Providing the *right advice* at the *right time* and with the *right*

approach is the key and hence the vast scope for work and innovation.

To make things clear, financial inclusion focuses on volume or quantity whereas financial literacy is more about quality. While financial inclusion emphasises on creating more accounts in order to make the common banking facilities easily accessible to all, financial literacy emphasises on expanding the knowledge on financial matters and products so that one can,

- Understand how to use and manage money and minimize financial risk
- Manage personal finance quite efficiently
- Identify the benefits and facilities offered by banks and boycott the dodgy moneylenders.
- Derive the long-term benefits of savings

And eventually, it will further the financial inclusion movement in India.

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Disclaimer: above research paper is part of the research scholars main research topic: Developing Models and process for achieving 100% financial Inclusion in India. It is an original piece (methodology, data, analysis, hypothesis and results) of work to a greater extent. Any similarities could be a matter of coincidence or account of literature review.

Selection Preferences of Two-Wheeler-Scooter Purchasers in West Bengal

Dr. Debasish Biswas*, Dr. Arunangshu Giri**

ABSTRACT

India is one of the most populated countries around the globe next to China, having huge propensity to consume and for this reason all the major companies around the globe want to exploit two wheeler market. Two wheeler scooter market is also developing at a rapid pace. This study is based to identify the factors that influence the selection preferences of two wheeler scooter purchasers in West Bengal. In our study, we have identified the most significant factors along with their levels in order to know exactly what customers want at the time of selection of two wheeler scooter in West Bengal. It also gives the ideas to offer a desired combination of basic features in order to satisfy the customer satisfaction. Conjoint analysis has been used for this purpose with SPSS 16 with 226 sample size in West Bengal, which estimates the consumer's preferences with the help of different pre-specified factors to find out which is the most preferred attribute by the consumers along with their most optimum level.

Keywords: *Two wheeler market, Selection preferences, West Bengal, Conjoint analysis, preferred attribute, optimum level*

Introduction

In India, two wheeler industries started its operation in the early 1950 s by Automobile Product of India (API). Till 1958 API and Enfield (motorcycles) were the sole producers. The two wheeler market was opened to foreign competition in the mid 1980 s. The emergence of Indo-Japanese joint collaboration unveiled a new era for the Indian two wheeler industry through the 100cc motorcycles. Among motorcycles, four stroke vehicle accounts for a major chunk of sales and this is not surprising since fuel efficiency ranks the first among all parameters. Apart from these some general factors in India such as affordability, working place access, big percentages of youths, etc. also contributed towards the growth of this segment. Major Indian automobile companies in India are: - Bajaj, TVS Motors, Hindustan Motors, Tata Motors, Mahindra, Eicher, Premier, Ashok Leyland, Force Motors, Reva, HeroMotocorp, LML, Tafe. On the other hand, Major multinational automobile companies in India are: - Toyota, Renault, Volvo, Mitsubishi Motors, Ford, General Motors, Audi, Honda, Nissan (cars), Land Rover, Yamaha, Fiat, Hyundai, BMW, Volkswagen, Suzuki, Skoda, Ferrari, Mercedes Benz, Peugeot,

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Jaguar, Piaggio. In the dynamic social environment two wheeler scooter is inevitable and perceived to be a member in any family. Auto industry in India is growing at a rapid pace. The two wheeler industry has been growing steadily over the years all over the world. India is not an exception for that. As of now, India is the second largest manufactures of two wheelers in the world. India occupies the third position in terms of number of two wheelers produced and sold.

As per the theoretical domain of consumer behaviour, cultural, personal, social and psychological factors influence the buying intention of consumers. Understanding the customer s preferences is imperative for the growth and success of automobile industry. Due to huge population with diverse tastes and preference, West Bengal can be considered as the appropriate place to sell their products for two wheeler scooter manufacturers. In order to satisfy the customers in the highly competitive business environment, automobile industry is investing massively.

STATEMENT OF PROBLEM

Many national as well as international automobile companies are emphasizing on the promise that customer satisfaction is the prerequisite to effective marketing positioning and a foundation of sustained competitive advantage. Fully satisfied customers generate success, while dissatisfied customers on the other hand are perfidious, vociferous in passing on their bitter experience and become generators of the complaints. The insight gained from the consumer behaviour studies is always transforming the marketing situation. Thus, the study on selection preferences essentially tries to answer the questions on what are the consumer perception of the product and which is indeed helpful in identifying the preference aspect of consumers. These data on consumer satisfaction / dissatisfaction give a guideline for the manufacturers to plan for the technological advancement to become successful in the highly challenging market.

LITERATURE REVIEW

There are many literatures concerning to customer satisfaction of two-wheelers but a few of them have been done on selection preferences of two-wheeler-scooter purchasers. For the purpose of keeping the discussion limited, few recent literatures are discussed below:

According to the research study conducted by Rachel Dardis, Horacio Soberon-Ferrer (1994),the consumer decision making is multidimensional. Consumer choices are not based on a single product attributes, instead consumers perceive products as bundles of attributes. Strebel, J., K.O Donnell and J.G. Myers (2004), proposed that the probability of making a decision is significantly lower when consumers are frustrated with the rapid pace of technological change and development. In recent times, the internet is a very popular tool used by the consumers in their buying process (Charles comegys, Mike Hannula, Jaani vaisanen, 2006). Kumar (2006) identified that a majority of the rural consumers give more preference to the quality of the product which showed that the income level of the rural consumer is increasing, which also generates more consumption and purchasing power for the rural consumers. C. Annandan & M. Prasanna Mohan Raj &Mr. S. Madhu (2007) examined the new mantra of all FMCG giants is; to get rich,

sell to the rural. So, they have started marketing programs to explore the untapped segment of rural markets. Sawant (2007) showed that maintenance as well as mileage was the two significant deciding factors in the purchasing decision. It is also clear that the respondents found a big difference in price, suitability for women, mileage and resale value amongst various models available in the market. N. Chandrasekaran (2009) investigated on consumer behaviour. The study also helps to know various marketing variables such as price and product features. This study helped us to know about the influence of consumer to prefer a particular brand and the problems faced by them using such brands. Kannusamy (2010) opined in his study, the manufactures should pay attention to quality, price, quantity, etc. Petrol prices and mass transport system have also an impact on demand for two wheelers (S. Senthilkumar, A. Mahadevan, 2010). K. Mallikarjuna Reddy (2011) had conducted a study on "Consumer Behaviour towards Two-Wheeler Motor Bikes" in the twin cities i.e. Hyderabad and Secunderabad by selecting Hero Honda, Yamaha,

and TVS bike users. The study concluded that there is a huge demand for Hero Honda motorcycles in the market, so their supply has to be drastically improved so as to meet the demand of the customer. Some of the respondents suggested for improving the mileage and technology of Yamaha and TVS Bikes. Omesh Chadha (2011) in the article "Consumer Buying Behavior towards Bikes" has revealed that the customers give more importance to fuel efficiency than to other factors. The consumers prefer to purchase the Bikes which offer high fuel efficiency, good quality, technology, durability and reasonable price. Social media parameters like websites, online chats, e-mail, etc. have also effect over the consumer purchasing decision (Mahmood Rehmani, Muhammad Ishfaq Khan, 2011). In the purchase of automobile products, celebrity endorsement has an impact (S. A. Dogra, 2011). Merlin D. Jane (2012) in the article on "Evaluation of Customer loyalty in TVS Motor Cycle Dealership" identified some factors like quality, price, service, attitudes which were experienced by customers in TVS motor cycle dealership. The study concluded that, the customer loyalty of the company is at an excellent position because of the high level product satisfaction and the customer satisfaction. In this modern era, women consumers are influenced by visual media advertisement also (Ravikumar, T., 2012). Monica and Vishal (2014) in the article "Factors Influencing Consumer Buying Behavior towards Bikes among Indian Youth: A Study" have identified different factors of consumer buying behaviour in purchasing bikes and their preferences. The factors which find out from the study were- sitting and service comfort, price, maintenance, fuel efficiency and Performance with style. Megharaja (October 2014) conducted a study on „Customers perceptions towards Hero-Honda Splendor+ bike in order to know the customers expectations. In his research findings, he observed that 84% of respondents wanted change in the features of the bike, 85% thought that the price charged was high for the product, while 95% were satisfied with the present services provided by the company and 97% of the respondents were still expecting more mileage from the bike. He, on the basis of his findings suggested to reduce price for selling to medium income holder customers and to innovate the more mileage engine to fulfill the customers expectations. Keshav & Samadhan (August 2014) in their joint study titled „Pre-purchase behaviour amongst the youth for

two-wheelers with special reference to Mumbai city emphasized on objective to view the consumer selection preference while purchasing two-wheelers. It was found from the survey that most of the youngsters preferred bike that was aesthetically appealing as well as cost effective. R. Amsaveni & R. Kokila (2014) stated that an organization should emphasis on introducing new model in the society and manufacture vehicles that give a good mileage.

RESEARCH GAP

From the literature reviewed it is evident that there have been a limited studies conducted in West Bengal relating to the selection preferences of two-wheeler-scooter purchasers. Undoubtedly, all the previous studies conducted by the earlier researchers have contributed in their own way but they have also left certain gaps that need to be addressed. This present study is an attempt to investigate multifarious attributes and their optimum levels which are affecting the selection preferences of two-wheeler-scooter purchasers in West Bengal.

OBJECTIVES OF THE STUDY

The existing reviews of literature have helped us to frame the following objectives in our study. The objectives are as follows:

1. To determine the relative importance of scooter attributes, preferable among two-wheeler purchasers in West Bengal
2. To determine the relative importance of different levels of each attribute, preferable among two-wheeler-scooter purchasers in West Bengal

RESEARCH METHODOLOGY

250 two-wheeler Scooter purchasers who attended Scooter show-room with purchase intention were selected for collecting different choices to determine what combination of attributes with various levels would be most preferable scooter selection profile in the context of West Bengal. These primary data were collected on 8 different attributes (Purpose of Purchasing, Price, Fuel Type, Seat Capacity, Colour, Weight, Starter Type, Maximum Speed), each of them having 3 levels. Out of 250 respondents, 226 were error free feedback which was used in conjoint analysis. The survey period of this study was 10th January, 2018 to 10th April, 2018. In this study, full profile approach method has been used. Each profile is represented on a respondent's sheet (Annexure-1) and they are asked to put their preferences towards individual attributes on a 9-point interval scale (1= least preferred and 9= most preferred). In this study, show-rooms of different brands were randomly selected (For each brand 3 show-rooms) and Convenience Sampling Technique was used for choosing respondents in those show-rooms.

ANALYSIS & FINDINGS Show Rooms of Different Brands

	Hero	TVS	Honda	Yamaha	Suzuki
No. of Respondents	46	43	45	47	45

Table 1: Collection of Responses from Different Show-Room: *Feedback collected from 226 respondents

By the help of dummy variable regression, conjoint analysis has been carried out where dependent variable (**Y: Preference**) is treated as utility of the level of attributes. The utility model can be written as follows.

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + b_9X_9 + b_{10}X_{10} + b_{11}X_{11} + b_{12}X_{12} + b_{13}X_{13} + b_{14}X_{14} + b_{15}X_{15} + b_{16}X_{16} + e$$

Where, X_1 & X_2 = dummy variables for 'Color'

X_3 & X_4 = dummy variables for 'Maximum Speed'

X_5 & X_6 = dummy variables for 'Fuel Type'

X_7 & X_8 = dummy variables for 'Seat Capacity'

X_9 & X_{10} = dummy variables for 'Purpose of Purchasing'

X_{11} & X_{12} = dummy variables for 'Weight'

X_{13} & X_{14} = dummy variables for 'Starter Type'

X_{15} & X_{16} = dummy variables for 'Price'

Attributes	Number	Level Description
Color	3	Red
	2	Pink
	1	Others
Maximum Speed	3	Below 60 kmph
	2	60-80 kmph
	1	Above 80 kmph
Fuel Type	3	Petrol
	2	Diesel
	1	Battery Driven
Seat Capacity	3	One Person
	2	Two Persons
	1	Three Persons
Purpose of Purchasing	3	Shopping
	2	Education
	1	Job
Weight	3	Heavy
	2	Light
	1	Medium

Starter Type	3	Self Start
	2	Kick Start
	1	Self & Kick Start
Price	3	Below 50,000/-
	2	50,000/- to 60,000/-
	1	Above 60,000/-

Table 2: Attributes and Levels of Scooter Selection Preference

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942^a	.888	.881	.501
a. Predictors: (Constant), X1, X2, X3, X4, X5, X6, X7, X8, X9, X10, X11, X12, X13, X14, X15, X16				

Table 3: Regression Model Summary and Fit

ANOVA^b

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	422.971	12	35.248	140.267	.000^a
	Residual	53.525	213	.251		
	Total	476.496	225			
a. Predictors: (Constant), X1, X2, X3, X4, X5, X6, X7, X8, X9, X10, X11, X12, X13, X14, X15, X16						

ANOVA^b

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a. Predictors: (Constant), X1, X2, X3, X4, X5, X6, X7, X8, X9, X10, X11, X12, X13, X14, X15, X16						
b. Dependent Variable: Preference Rating						

Table 3 : Regression Model Summary and Fit

Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.997	.020		249.488	.000*
	X1	-.160	.046	-.045	-3.487	.000*
	X2	-.415	.051	-.089	-8.114	.000*
	X3	-1.208	.053	-.391	-22.767	.000*
	X4	.145	.059	.047	2.437	.015**
	X5	.518	.055	.167	9.348	.000*
	X6	.100	.049	.032	2.024	.043**
	X7	-.230	.010	-.075	-23.008	.000*
	X8	.554	.010	.179	55.141	.000*
	X9	.175	.010	.056	16.835	.000*
	X10	2.411	.010	.778	238.030	.000*
	X11	-.105	.044	-.030	-2.385	.017**
	X12	.186	.049	.041	3.767	.000*
	X13	.154	.053	.050	2.901	.004*
	X14	-.203	.060	-.066	-3.408	.001*
	X15	1.103	.056	.356	19.871	.000*
X16	1.685	.050	.545	34.012	.000*	

Dependent Variable: Preference Rating* & ** represent 1% & 5% level of significance

Table 4: Regression Coefficients

Here estimated regression model is fit with F-Value of 140.267 and significant value less than 0.01 (Table 1). The estimated regression equation is as follows:

$$U(\text{Utility}) = 4.997 - 0.160 * X_1 - 0.415 * X_2 - 1.208 * X_3 + 0.145 * X_4 + 0.518 * X_5 + 0.100 * X_6 - 0.230 * X_7 + 0.554 * X_8 + 0.175 * X_9 + 2.411 * X_{10} - 0.105 * X_{11} + 0.186 * X_{12} + 0.154 * X_{13} - 0.203 * X_{14} + 1.103 * X_{15} + 1.685 * X_{16}$$

Here,

$b_0 = 4.997$	$b_1 = -0.160$	$b_2 = -0.415$	$b_3 = -1.208$
$b_4 = +0.145$	$b_5 = +0.518$	$b_6 = +0.100$	$b_7 = -0.230$
$b_8 = +0.554$	$b_9 = +0.175$	$b_{10} = +2.411$	$b_{11} = -0.105$
$b_{12} = +0.186$	$b_{13} = +0.154$	$b_{14} = -0.203$	$b_{15} = +1.103$
$b_{16} = +1.685$			

Each dummy variable coefficient represents the difference in the utility for that level minus the utility for the base level.

*For **Color**, we have the following equations,

$$\alpha_{11} - \alpha_{13} = -0.16;$$

$$\alpha_{12} - \alpha_{13} = -0.415;$$

With Constraint equation,

$$\alpha_{11} + \alpha_{12} + \alpha_{13} = 0$$

Therefore

$$\alpha_{11} = 0.032$$

$$\alpha_{12} = 0.192$$

$$\alpha_{13} = -0.223$$

*For **Fuel Type**, we have the following equations,

$$\alpha_{31} - \alpha_{33} = 0.518;$$

$$\alpha_{32} - \alpha_{33} = 0.1;$$

With Constraint equation,

$$\alpha_{31} + \alpha_{32} + \alpha_{33} = 0$$

Therefore

$$\alpha_{31} = 0.312$$

$$\alpha_{32} = -0.106$$

$$\alpha_{33} = -0.206$$

*For **Purpose of Purchasing**, we have the following equations,

$$\alpha_{51} - \alpha_{53} = 0.175;$$

$$\alpha_{52} - \alpha_{53} = 2.411;$$

With Constraint equation,

$$\alpha_{51} + \alpha_{52} + \alpha_{53} = 0$$

Therefore

$$\alpha_{51} = 0.687$$

$$\alpha_{52} = 1.549$$

$$\alpha_{53} = -0.862$$

*For **Starter Type**, we have the following equations,

$$\alpha_{71} - \alpha_{73} = 0.154;$$

$$\alpha_{72} - \alpha_{73} = -0.203;$$

With Constraint equation,

$$\alpha_{71} + \alpha_{72} + \alpha_{73} = 0$$

Therefore

$$\alpha_{71} = 0.170$$

$$\alpha_{72} = 1.187$$

$$\alpha_{73} = 0.016$$

*For **Maximum Speed**, we have the following equations,

$$\alpha_{21} - \alpha_{23} = -1.208;$$

$$\alpha_{22} - \alpha_{23} = 0.145;$$

With Constraint equation,

$$\alpha_{21} + \alpha_{22} + \alpha_{23} = 0$$

Therefore

$$\alpha_{21} = -0.854$$

$$\alpha_{22} = 0.499$$

$$\alpha_{23} = 0.354$$

*For **Seat Capacity**, we have the following equations,

$$\alpha_{41} - \alpha_{43} = -0.23;$$

$$\alpha_{42} - \alpha_{43} = 0.554;$$

With Constraint equation,

$$\alpha_{41} + \alpha_{42} + \alpha_{43} = 0$$

Therefore

$$\alpha_{41} = -0.338$$

$$\alpha_{42} = 0.446$$

$$\alpha_{43} = -0.108$$

*For **Weight**, we have the following equations,

$$\alpha_{61} - \alpha_{63} = -0.105;$$

$$\alpha_{62} - \alpha_{63} = 0.186;$$

With Constraint equation,

$$\alpha_{61} + \alpha_{62} + \alpha_{63} = 0$$

Therefore

$$\alpha_{61} = -0.132$$

$$\alpha_{62} = 0.159$$

$$\alpha_{63} = -0.027$$

*For **Price**, we have the following equations,

$$\alpha_{81} - \alpha_{83} = 1.103;$$

$$\alpha_{82} - \alpha_{83} = 1.685;$$

With Constraint equation,

$$\alpha_{81} + \alpha_{82} + \alpha_{83} = 0$$

Therefore

$$\alpha_{81} = -0.174$$

$$\alpha_{82} = 0.756$$

$$\alpha_{83} = -0.929$$

The relative importance weights are calculated based on the ranges of utilities as follows:

Sum of the ranges of utilities = $[0.192 - (-0.223)] + [0.499 - (-0.854)] + [0.312 - (-0.206)] + [0.446 - (-0.338)] + [1.549 - (-0.862)] + [0.159 - (-0.132)] + [0.170 - (-0.187)] + [0.756 - (-0.929)] = 7.814$

Therefore,

Relative importance of '**Color**' = $[0.192 - (-0.223)] / 7.814 = 0.053$

Relative importance of '**Maximum Speed**' = $[0.499 - (-0.854)] / 7.814 = 0.173$

Relative importance of '**Fuel Type**' = $[0.312 - (-0.206)] / 7.814 = 0.066$

Relative importance of '**Seat Capacity**' = $[0.446 - (-0.338)] / 7.814 = 0.1$

Relative importance of '**Purpose of Purchasing**' = $[1.549 - (-0.862)] / 7.814 = 0.309$

Relative importance of '**Weight**' = $[0.159 - (-0.132)] / 7.814 = 0.037$

Relative importance of '**Starter Type**' = $[0.170 - (-0.187)] / 7.814 = 0.046$

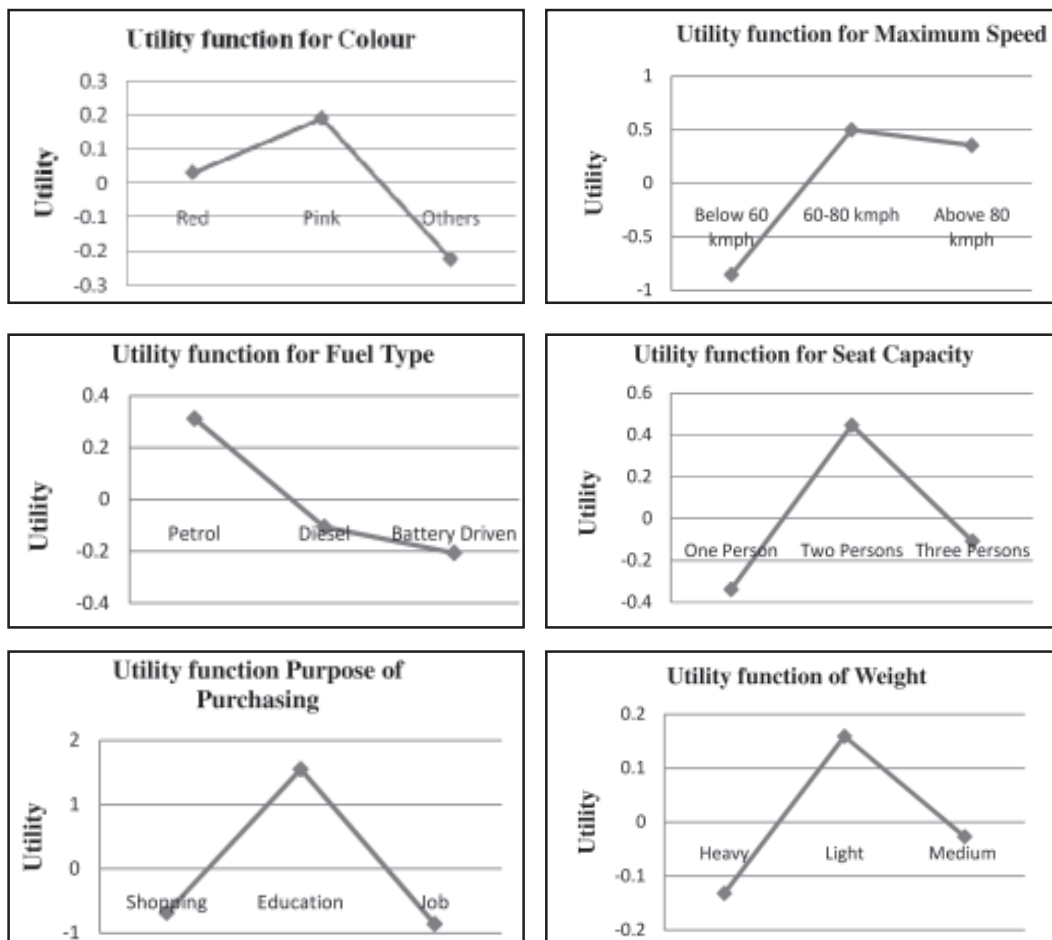
Relative importance of '**Price**' = $[0.756 - (-0.929)] / 7.814 = 0.216$

The results for utilities and relative contribution of attributes are depicted in the following table:

Attributes	Number	Level Description	Utility	Importance
Color	3	Red	0.032	0.053
	2	Pink	0.192	
	1	Others	-0.223	
Maximum Speed	3	Below 60 kmph	-0.854	0.173
	2	60-80 kmph	0.499	
	1	Above 80 kmph	0.354	
Fuel Type	3	Petrol	0.312	0.066
	2	Diesel	-0.106	
	1	Battery Driven	-0.206	
Seat Capacity	3	One Person	-0.338	0.1
	2	Two Persons	0.446	
	1	Three Persons	-0.108	
Purpose of Purchasing	3	Shopping	-0.687	0.309
	2	Education	1.549	
	1	Job	-0.862	

Weight	3	Heavy	-0.132	0.037
	2	Light	0.159	
	1	Medium	-0.027	
Starter Type	3	Self Start	0.170	0.046
	2	Kick Start	-0.187	
	1	Self & Kick Start	0.016	
Price	3	Below 50,000/-	0.174	0.216
	2	50,000/- to 60,000/-	0.756	
	1	Above 60,000/-	-0.929	

Table 5: Results of Conjoint Analysis



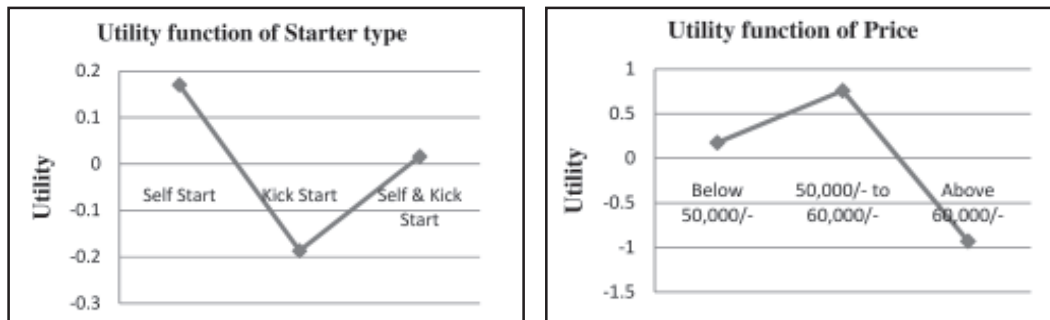


Figure 1: Graphical Representation of Utility Function

CONCLUSION

In this research study, estimation of utilities and relative importance of different weights help to interpret the result clearly. Here, the weight assigned by the respondents to Colour, Maximum Speed, Fuel Type, Seat Capacity, Purpose of Purchasing, Weight, Starter Type and Price are 5%, 17%, 7%, 10%, 31%, 4%, 5% and 22% respectively. Therefore it can be concluded that Purpose of Purchasing, Price and Maximum Speed are the most important factors for selection preferences of Scooter. It has been also observed that respondents prefer Pink colour, 60-80 kmph maximum speed, Petrol driven, Two persons seat capacity, Educational purpose (Going to School & Colleges), light weight, self starter and followed by the desirable price range between 50000/- to 60000/-.

IMPLICATIONS OF THE STUDY

From our empirical study, it is very clear that the automobile industry must consider the above stated factors viz. colour, maximum speed, fuel type, seat capacity, purpose of purchasing, weight, starter type and price and their appropriate levels to ensure the overall growth of automobile industry in West Bengal. It will help the automobile industry in designing their strategies in order to ensure the growth of this sector by satisfying the customer preferences and expectations. Therefore, if we can concentrate on the above stated factors and their appropriate levels then this industry will definitely flourish in the days to come.

SCOPE FOR FURTHER RESEARCH

There are some limitations of the study that could be addressed in future research. Due to the exploratory nature of the study only eight factors deemed to be the most important in influencing the customer's preferences of automobile industry has been included. Another limitation in this study, it only focuses on two-wheeler scooters not the entire two-wheeler market. Further study should be utilized this methodology for multifarious segments to confirm the model to ensure the model identified for the growth of automobile industry. We have only observed the scenario of automobile industry in West Bengal. It can be also extended to other parts of our country to identify the significant factors influencing the customer's preferences of automobile industry.

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Annexure-1

Profile No.	Colour	Maximum Speed	Fuel Type	Seat Capacity	Purpose of Purchasing	Weight	Starter Type	Price	Preference Rating
1	1	2	3	1	2	1	3	1	6
2	1	3	1	1	2	1	3	2	8
3	1	3	2	2	2	1	3	3	7
4	1	1	1	2	2	3	1	1	4
5	2	3	2	3	2	3	1	2	7
6	2	3	3	3	2	3	1	3	5
7	2	2	2	1	3	2	2	1	7
8	2	3	3	1	3	2	2	2	9
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
225	3	3	1	3	3	1	2	2	6
226	3	2	2	3	3	2	1	3	7

An Empirical Analysis and Inter Sectoral Comparison of Non-Performing Assets In India

Dr. Soheli Ghose*, Suyash Luhariwala**

ABSTRACT

Banking system is the backbone of an economy and the quality of assets held by the banks is a critical indicator of the health of the financial system. As on March 31, 2016, total distressed assets of banks were Rs.611607 crore which is 5.39% of the total GDP of India at constant prices for that year. NPAs are value destroyers of the economy. In this study we have compared and analysed the proportion of NPAs in public sector, private sector and foreign banks and analysed the interrelation between NPAs and profitability of banks of all the three sectors. Overall in the Indian Banking System, the private sector banks have managed to keep NPA at low levels as compared with the Public Sector Banks.

Keywords: Banking Sector, Correlation and Non-Performing Assets

INTRODUCTION

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. The Indian banking sector is plagued by burgeoning NPAs due to combination of various factors as discussed:

Internal factors: Poor credit appraisal system, Diversion of funds, lack of post credit supervision, project cost and time overruns, wilful defaults, siphoning of funds, frauds, disputes, misappropriation, etc., *Non-compliance to lending norms. External factors:* Economic slowdown, Input shortage, power shortage, unanticipated price escalations, accidents and natural calamities, changes in government policies relating to excise duties and import duties, sluggish legal system, business failures due to inefficient management system, strained labour relations, inappropriate technology, product obsolescence etc.

Apart from the above factors, there are certain other factors which are responsible for standard assets becoming NPA. They are the following:

- Liberalisation of the economy and the consequent pressures from Liberalisation like severe competition, reduction of tariffs, removal of restriction, etc.

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- Poor monitoring of credits and the failure to recognise early warning signals shown by standard assets.
- Promoters' over optimism in setting up large projects.
- Sudden crashing of capital markets and the failure to raise adequate funds.
- Granting of loans for certain sectors on the basis of government's directives rather than commercial imperatives.
- Mismatch of funding i.e., using loans granted for long – term transactions.
- High leveraging and high cost of borrowing.

Gross NPA: Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date. Gross NPA reflects the quality of the loans made by banks. It consists of all the non-standard assets like as sub-standard, doubtful, and loss assets.

Net NPA: Net NPAs are those type of NPAs in which the bank has deducted the provision regarding NPAs. Net NPA shows the actual burden of banks. Since in India, bank balance sheets contain a huge amount of NPAs and the process of recovery and write off of loans is very time consuming, the provisions the banks have to make against the NPAs according to the central bank guidelines, are quite significant. That is why the difference between gross and net NPA is quite high.

Impact of NPAs

Adverse Impact on Profitability: NPAs affect both current and future profitability of banks. The non-performing assets lead to blocking of estimated interest income as well as the principal amount of the loan. Non realisation of interest income directly affects the realisable profit of banks while non-realisation of the principal amount affects the future profitability in the form of opportunity cost on account of blockage of loanable funds.

Liquidity Crunch: NPAs lead to blocking of funds which impairs the banks' liquidity and affects the capital adequacy norms. The lack of enough cash and cash equivalents to meet short term obligations leads the banks to borrow such sums entailing additional cost of borrowing too. Liquidity crunch affects smooth functioning of banks thereby affecting its operational efficiency.

Managerial Efficiency Loss: The most important business implication of the NPAs is that it leads to the credit risk management assuming priority over principal aspects of bank's functioning. NPAs demand time and effort of management which is another indirect cost incurred for recovery of such bad loans. Time and effort of management involved in managing and handling of NPAs leads to efficiency loss of managerial efforts which could have been productively used. Also, nowadays banks have separate employees for management of NPAs which also leads to incurrance to additional cost.

Loss of Goodwill: Excessive or rising NPAs pose a threat to the goodwill or public image of banks, thereby adversely affecting its potential business. Goodwill and NPAs of banks are thus negatively related.

Impact on Economy: Non-performing asset may spill over the banking system and contract the money stock, which may lead to economic contraction. This spillover effect can channelize through liquidity or bank insolvency:

- a) When many borrowers fail to pay interest, banks may experience liquidity shortage. This can jam payment across the country.
- b) Illiquidity constraints bank in paying depositors.
- c) Under-capitalized banks exceed the bank's capital base.

LITERATURE REVIEW

B.Selvarajan and G. Vadivalagan (2012) concluded that Non Performing Assets add cost to the credit Management. The fear of Non-Performing Assets permeates the psychology of bank managers in entertaining new projects for credit expansion. Apart from internal and external complexities, increases in NPAs directly affects banks' profitability sometimes even their existence. **Chandan Chatterjee, Jeet Mukherjee and Ratan Das (2012)** concluded that proper identification of the guarantor should be checked by the bank including scrutiny of his/her wealth and that the NPAs have a negative influence on the achievement of capital adequacy level, funds mobilization and deployment policy, banking system credibility, productivity and overall economy. **C.S.Balasubramaniam (2012)** concluded that the Indian Banks have overall demonstrated a trend of continued good performance and profitability despite rising interest rates, increase in operating costs and the spill over effects of recent global financial crisis. **B.Selvarajan and G. Vadivalagan (2013)** analysed in detail the Priority sector advances under three major heads: Agriculture, Small Scale Industries and Other Priority Sector with data related to Indian Bank and Public sector banks for the past 10 years. The study concluded that the growth of Indian Bank's lending to Priority sector is more than that of the Public Sector Banks as a whole. In case of NPA management, the performance of Indian Bank is better than that of Public Sector Banks as a whole. **Ghose (2016)** concluded that there is a significant relation between the profitability and NPAs of various Private and Public Sector Banks.

OBJECTIVES OF STUDY

1. To compare and analyse the proportion of NPAs in public sector, private sector and foreign banks i.e. inter sector comparison.
2. To compare and analyse the NPAs of commercial banks intra-sector.
3. To calculate and analyse the degree of correlation between NPAs and profitability of banks of all the three sectors.

RESEARCH METHODOLOGY

This research is empirical in nature and is based on secondary data collected from authentic websites and journals from 2006 to 2016. Random Sampling Technique has been applied to select the banks. Statistical technique like Karl Pearson's Product Moment Correlation Coefficient (5% Level of Significance) has been used through SPSS 19. Ratios are analysed to compare overall effect. Statistical tools like graphs, charts, and ratios have been calculated, created and analysed.

LIMITATIONS OF THE STUDY

The sample size could have been increased to 2 decades. Effect of Basel III norms could have been analysed in the sample. A regression model could have been included to study the effect further.

ANALYSIS, FINDINGS AND INFERENCES

Analysis 1: Inter Sector Comparison

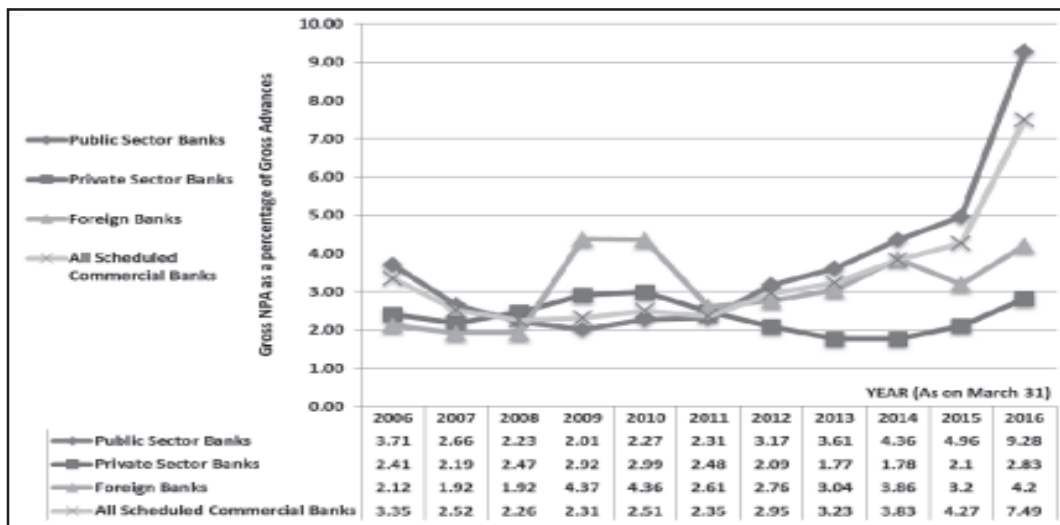


Figure 1.1: inter sector comparison of gross NPA ratio; **Compiled from:** Appendices A, B, C and D

Inference 1.1: The Gross NPA Ratio has increased at a staggering Simple Annual Growth Rate (SAGR) of 12.36%, with public sector banks driving the high growth of the ratio at 15.01% SAGR during the 11 year period of study. However, the private sector proved to be the most efficient and effective sector with SAGR of a modest 1.74% whereas the foreign banks were also inefficient in management of NPAs registering a SAGR of 9.81%. Due to high market share of public sector banks at 71.24% the overall commercial bank's Gross NPA Ratio has increased at such high rate. In the earlier part of the period, the Gross NPA Ratio has decreased till 2008 after which there is a marked increase in the ratio of foreign banks. This was due to the high exposure of foreign banks to the Global Financial Crisis of 2008. The Crisis also affected the domestic banks but on a lower magnitude. Thus the Global Financial Crisis was a major turnaround factor in the Gross NPA ratio as the ratio started increasing after 2008 at a steady pace for all the sectors. However as the economies revived and effects of the Crisis started to fade, in the year 2011 the ratio again fell by a few percentage points for the commercial banks with foreign banks experiencing the highest fall. After the period of revival, barring the private sector, there has been a massive increase in the ratio of all the banks. This may be due to expansion plans of the public sector after experiencing the recessionary trend of the Crisis which led to advancing subprime loans,

ultimately leading to defaults in payment. The private sector again proved to be efficient and managed to reduce the Gross NPA Ratio against the industry being on a steady rise. The year 2016 proved to be a nightmare for the banks with the Asset Quality Review (AQR) in the 3rd and 4th quarter playing havoc with the banks' financial statements. In the AQR, the sample size of loan accounts inspected was much bigger than that under regular Annual Financial Inspection (AFI) and in fact, most of the large borrower accounts were inspected to check if classification was in line with prudential norms. Banks were given two quarters, October-December and January-March of 2016 to complete the asset classification, which led to the mammoth increase in the ratio over the previous year for the entire Banking System. Now, trying to neutralise the special events during the period, comparing the Compound Annual Growth Rate (CAGR) of the sectors, we still get the same result with the public sector registering the highest at 9.60% while the private sector banks witnessed a meagre 1.62% growth. *Thus, the Public Sector Banks have been totally outperformed by its competitors in the Private and foreign sector. This is mainly because the public sector finances the government projects have time and cost overruns. The Private sector and foreign banks have been efficient mainly because of their advances towards strong and robust projects with proper credit appraisal promising healthy and regular returns.*

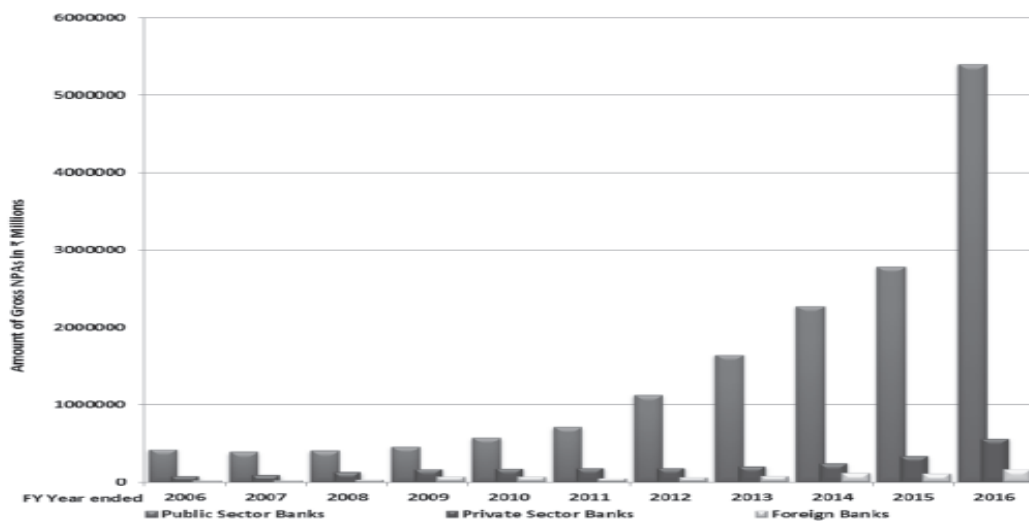


Figure 1.2: Inter Sector Comparison of Gross NPAs; **Compiled from: Appendices A, B, and C**

Inference 1.2: Comparing the of Gross Non-Performing Assets of the three sectors, it has risen from Rs. 421172 million in 2006 to Rs. 5399564 in 2016 for the public sector at a CAGR of 29.06%, from Rs.75988 million in 2006 to Rs. 558531 million in 2016 for the private sector banks at a CAGR of 22.08%. The CAGR of foreign banks was found to be 22.73% during the period with the Gross NPA rising from Rs.20370 million in 2006 to Rs.157980 million in 2016. For the entire commercial banks the CAGR was calculated out to be 28.01% or a 1081.78% increase in monetary terms. It may be argued that the Gross NPAs increased due to increase in the business of banks but comparing the same with CAGR of Gross Advances of the commercial banks we get 18.11%. This concludes that

even though the business of banks increased at a rate of 18.11% the rise in bad loans has outpaced it with the rate of 28.01%. The extraordinary increase in 2016 is due to the surprise Asset Quality Review by the RBI which led to non-recognised bad loans in previous years to be recognised in 2016 under the review procedure which shows that along with recognised NPAs there were also huge amounts of disguised bad loans not recognised duly.

Analysis 2: To Compare and Analyse the NPAs of Commercial Banks Intra-Sector

Intra-Sector Comparison of Public Sector Banks

STATE BANK OF INDIA: State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. It is a government-owned corporation with its headquarters in Mumbai, Maharashtra. As of 2016-17, it had assets of Rs.30.72 trillion (US\$460 billion) and more than 14,000 branches, including 191 foreign offices spread across 36 countries, making it the largest banking and financial services company in India by assets. The company is ranked 232nd on the Fortune Global 500 list of the world's biggest corporations as of 2016.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	15094998
Gross NPAs	981728
Gross NPA Ratio (in %)	6.5
Net Profit	99507
Sector Market Share (in %)	25.94
Total Market Share (in %)	18.48
Capital Adequacy Ratio (Basel III)	13.12

TABLE 2.1 SBI SNAPSHOT

Total Government & RBI - Resident	Financial Institutions -Resident	Financial Institutions -Non Resident	Other Corporates - Resident	Other Corporates - Non Resident	Total Individual - Resident	Total Individual - Non Resident	Total - Resident	Total - Non Resident
60.2	18.4	11.0	3.2	0.0	7.0	0.2	88.8	11.2

TABLE 2.2: SHAREHOLDING PATTERN OF SBI AS ON MARCH 31, 2016 (%)

PUNJAB NATIONAL BANK: Punjab National Bank, India's first Swadeshi Bank, commenced its operations on April 12, 1895 from Lahore, with an authorised capital of Rs 2 lac and working capital of Rs.20,000. The Bank has recorded fast pace of digitisation with over 2.82 lakh UPI users, 78 lakh Internet banking users and 59 lakh mobile banking user as on 31.12.2016.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	4327750
Gross NPAs	558183
Gross NPA Ratio (in %)	12.9
Net Profit	-39744
Sector Market Share (in %)	7.44
Total Market Share (in %)	5.30
Capital Adequacy Ratio (Basel III)	11.28

TABLE 2.3 PNB SNAPSHOT

Total Government & RBI - Resident	Financial Institutions -Resident	Financial Institutions -Non Resident	Other Corporates - Resident	Other Corporates - Non Resident	Total Individual - Resident	Total Individual - Non Resident	Total - Resident	Total - Non Resident
62.1	20.8	10.4	1.0	0.0	5.8	0.0	89.6	10.4

TABLE 2.4: SHAREHOLDING PATTERN OF PNB AS ON MARCH 31, 2016 (%)

BANK OF BARODA: Bank of Baroda is a public sector banking institution headquartered in Vadodara. The Bank has total assets in excess of Rs. 3.58 trillion, a network of 5493 branches in India and abroad, and 10441 ATMs as of Sept, 2016.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	4055172
Gross NPAs	405210
Gross NPA Ratio (in %)	9.99
Net Profit	-53955
Sector Market Share (in %)	6.97
Total Market Share (in %)	4.97
Capital Adequacy Ratio (Basel III)	13.18

TABLE 2.5: BANK OF BARODA SNAPSHOT

Total Government & RBI - Resident	Financial Institutions -Resident	Financial Institutions -Non Resident	Other Corporates - Resident	Other Corporates - Non Resident	Total Individual - Resident	Total Individual - Non Resident	Total - Resident	Total - Non Resident
59.2	9.7	11.5	14.3	0.0	4.8	0.4	88.1	11.9

TABLE 2.6: SHAREHOLDING PATTERN OF BANK OF BARODA AS ON MARCH 31, 2016 (%)

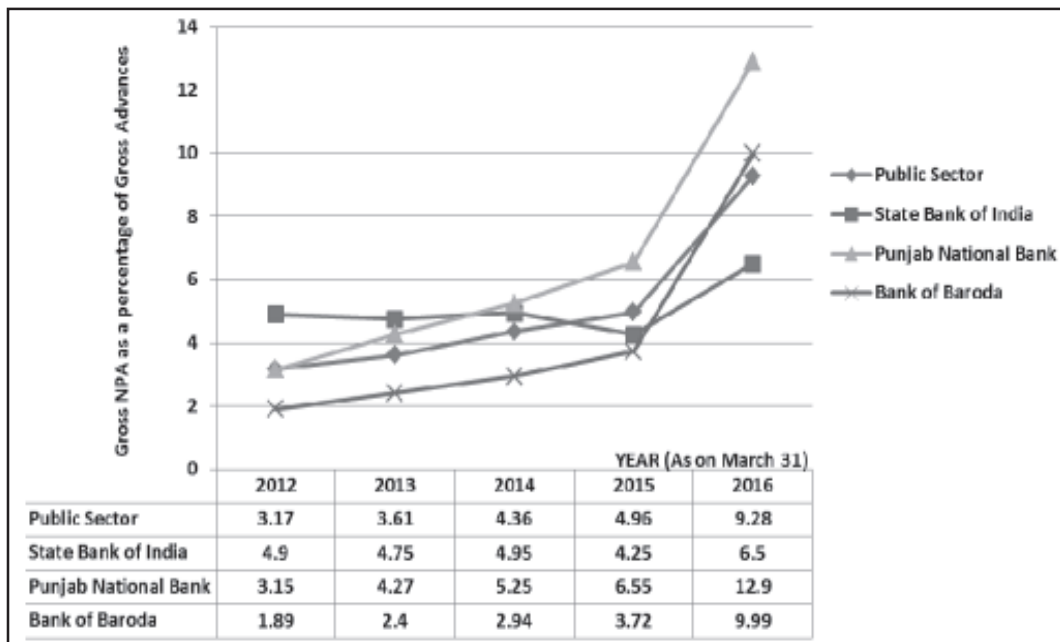


FIGURE 2.1: COMPARATIVE ANALYSIS

Inference 2.1: Among the three top banks of public sector by market share, the State Bank of India has been the most efficient in NPA control and management. It is the only bank which has achieved reduction in the Gross NPA Ratio over the period of 2012-15 from 4.9% to 4.25% with a decrease of 13.26% against increase of the same in the overall public sector and the other two banks. The ratio of Punjab National Bank and Bank of Baroda has increased at the rate of 107.94% and 96.83% respectively. This may be due to the huge amount of loans granted to alleged government favoured parties under UPA regime which may have turned bad.

Now considering the Asset Quality Review by the RBI in 2016, the increase in the ratio again substantiates the above finding regarding the public sector banks. There has been a remarkable increase in the ratio of Punjab National Bank and Bank of Baroda in 2016 with increase of 6.35 and 6.27 percentage points giving a 96.95% and 168.55% increase of Gross NPA Ratio in just one year. Whereas considering the same for SBI the increase is just 2.25% with only incremental increase of 52.94% over the previous year. This is in spite of the SBI being largest commercial bank in India with a total market share of 18.48%. This shows that the SBI is operationally efficient.

The graph of Punjab National Bank has always remained above the public sector banks' average graph which shows the grossly inefficient methods of recovery and management of NPAs which may also include involvement in crony capitalism. Bank of Baroda's ratio has remained below the average level but after AQR it has surpassed the public sector average which shows that the NPAs were disguised and not prudently recognised in its books. Consequently, both the banks reported net loss during the financial year ended

2016 as against profit in the previous. Thus it can be inferred that the banks were carrying only book profits which were imprudent and misleading and to a certain extent were non-realizable.

INTRA-SECTOR COMPARISON OF PRIVATE SECTOR BANKS:

HDFC BANK: HDFC Bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. As of December 31, 2016, the Bank had a nationwide distribution network of 4,555 branches and 12,087 ATM's in 2,597 cities/towns.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	4675794
Gross NPAs	42976
Gross NPA Ratio (in %)	0.92
Net Profit	122962
Sector Market Share (in %)	23.70
Total Market Share (in %)	5.72
Capital Adequacy Ratio (Basel III)	15.53

TABLE 2.7: HDFC SNAPSHOT

Total Government & RBI - Resident	Financial Institutions -Resident	Financial Institutions -Non Resident	Other Corporates - Resident	Other Corporates - Non Resident	Total Individual - Resident	Total Individual - Non Resident	Total - Resident	Total - Non Resident
0.1	11.2	0.0	7.3	72.4	8.7	0.3	27.3	72.7

TABLE 2.8: SHAREHOLDING PATTERN AS ON MARCH 31, 2016 (%)

ICICI BANK: ICICI Bank (Industrial Credit and Investment Corporation of India) is the second largest private sector bank by Gross Advances as on March 31, 2016, headquartered in Mumbai, Maharashtra with its registered office in Vadodara. ICICI Bank currently has a network of 4,608 Branches and 14,052 ATM's across India.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	4501826
Gross NPAs	262212
Gross NPA Ratio (in %)	5.82
Net Profit	97263
Sector Market Share (in %)	22.82
Total Market Share (in %)	5.51
Capital Adequacy Ratio (Basel III)	16.64

TABLE 2.9: ICICI BANK SNAPSHOT

Total Government & RBI - Resident	Financial Institutions -Resident	Financial Institutions -Non Resident	Other Corporates - Resident	Other Corporates - Non Resident	Total Individual - Resident	Total Individual - Non Resident	Total - Resident	Total - Non Resident
0.1	23.1	64.4	6.0	0.0	6.1	0.3	35.3	64.7

TABLE 2.10: SHAREHOLDING PATTERN AS ON MARCH 31, 2016 (%)

AXIS BANK: Axis Bank is the third largest private sector bank in India headquartered in Mumbai with Registered Office in Ahmedabad. The Bank has a large footprint of 2904 domestic branches (including extension counters) and 12,743 ATMs spread across the country as on 31st March 2016.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	3423119
Gross NPAs	58485
Gross NPA Ratio (in %)	1.71
Net Profit	82237
Sector Market Share (in %)	17.35
Total Market Share (in %)	4.19
Capital Adequacy Ratio (Basel III)	15.29

TABLE 2.11: AXIS BANK SNAPSHOT

Total Government & RBI - Resident	Financial Institutions -Resident	Financial Institutions -Non Resident	Other Corporates - Resident	Other Corporates - Non Resident	Total Individual - Resident	Total Individual - Non Resident	Total - Resident	Total - Non Resident
0.0	40.1	44.2	6.7	0.1	8.6	0.3	55.4	44.6

TABLE 2.12: SHAREHOLDING PATTERN AS ON MARCH 31, 2016 (%)

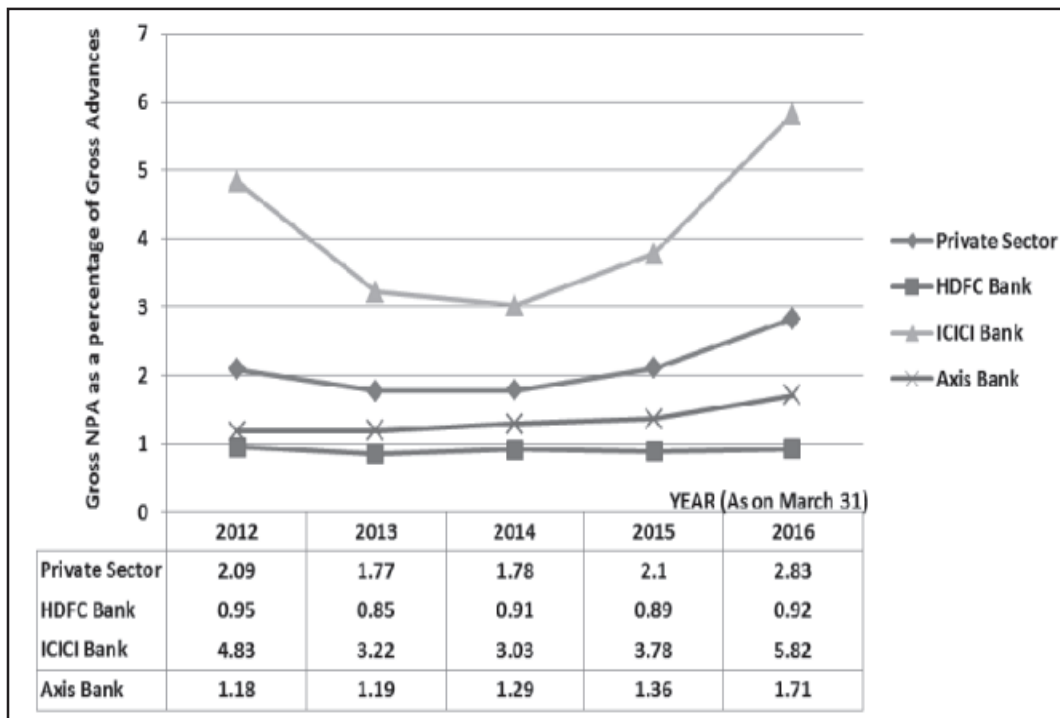


Figure 2.2: Comparative Analysis: **Compiled from:** www.rbi.org

Inferences 2.2: The private sector banks have been successful in keeping the Gross NPA Ratio at low levels with no significant increasing trend. This is the result of private shareholders' incentive. However in the above graph of private sector banks; an interesting observation is that there is no intersection point between any two graphs during the period creating layers of line graphs. This can directly be related to the operational efficiency of the top three banks maintained over the period. We may rank the banks' NPA management efficiency on the basis of position of their line graph in the above chart with HDFC being ranked one, Axis Bank being second and ICICI Bank the third among the three. The line graph of ICICI Bank stands above all the other graphs including the private sector average which may be due to its high exposure to industrial projects carrying higher frequency and risk of defaults in payments and thus may be fallout of sick industrial units defaulting on payments.

The AQR in 2016 however impacted the private sector banks such as ICICI Bank and Axis Bank. HDFC Bank emerged unscathed from the crisis as its exposure to big-ticket infrastructure projects was relatively small as its Gross NPA Ratio increased only 3.37% as compared to ICICI Bank's 53.97% and Axis Bank's 25.74% increase in the ratio. Here again, the ICICI Bank's increase is largest which may be due to its exposure to large industrial projects becoming sick.

The HDFC Bank in spite of being the largest lender in private sector in 2016 has managed to keep Gross NPA lower than the second and third lenders at Rs. 42976 million as against ICICI Bank's and Axis Bank's Rs. 262212 million and Rs. 58485 million respectively.

This shows operational and managerial excellence of the HDFC Bank.

INTRA-SECTOR COMPARISON OF FOREIGN SECTOR BANKS:

STANDARD CHARTERED BANK: Standard Chartered Bank was formed in 1969 through the merger of two separate banks, the Standard Bank of British South Africa and the Chartered Bank of India, Australia and China. It is India's largest international bank with 99 branches in 42 cities and operating in the country since 1858.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	766573
Gross NPAs	108355
Gross NPA Ratio (in %)	14.14
Net Profit	10065
Sector Market Share (in %)	20.37
Total Market Share (in %)	0.94
Capital Adequacy Ratio (Basel III)	12.98

CITIBANK: Citibank is the consumer division of financial services multinational Citigroup. Citibank was founded in 1812 as the City Bank of New York, later First National City Bank of New York. It is India's second largest foreign bank in respect of gross advances as on March 31, 2016. Citi began operations in India over a century ago in 1902 in Kolkata and today is a significant foreign investor in the Indian financial market. It operates 44 full-service Citibank branches in 31 cities and over 700 ATMs across the country.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	621095
Gross NPAs	8605
Gross NPA Ratio (in %)	1.39
Net Profit	32330
Sector Market Share (in %)	16.50
Total Market Share (in %)	0.76
Capital Adequacy Ratio (Basel III)	15.76

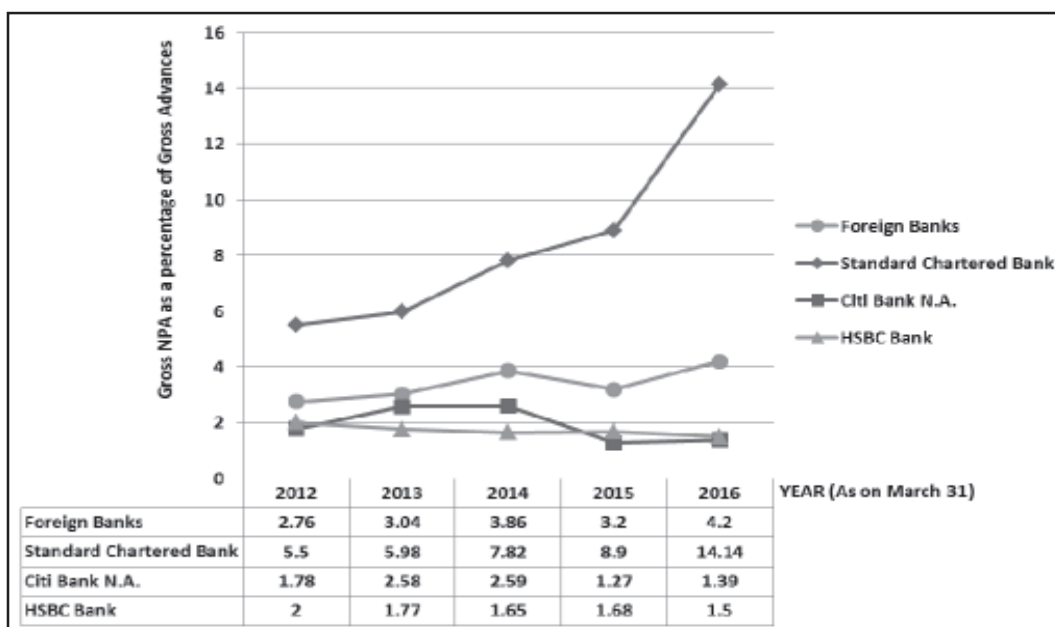
Table 2.14: Citibank Snapshot

HSBC: Founded in 1865 to finance trade between Asia and the West, today, Hong Kong and Shanghai Banking Corporation Ltd. is one of the world's largest banking and financial services organisations serving more than 37 million customers worldwide.

Particulars (2015-16)	Amount (in Rs. million)
Gross Advances	555947
Gross NPAs	8358
Gross NPA Ratio (in %)	1.5
Net Profit	19341
Sector Market Share (in %)	14.77
Total Market Share (in %)	6.81
Capital Adequacy Ratio (Basel III)	15.99

Table 2.15: HSBC Snapshot

Figure 2.3: Comparative Analysis; **Compiled from:** www.rbi.org



Inference 2.3: Overall the foreign banks' Gross NPA Ratio has been above the private sector level but below the public sector banks' level. Standard Chartered Bank's graph has remained consistently above the other top two banks in foreign sector and also above the foreign banks' average graph. This asset quality issue is mainly because of their concentrated exposure to Indian corporates. The wholesale lending by the largest foreign bank in India has led it to recognise huge bad loans in the books. However, the second and the third largest bank in this sector by Gross Advances in 2016 have managed to keep the ratio at low levels. While the Standard Chartered Bank's ratio increased by 61.82% during the 2012-15 period, the other two bank's ratio decreased with Citibank's decrease being 28.65% and

HSBC Bank's decrease being 16% during the same period. This is an evidence of stringency in lending policies and credit appraisal methods of Citibank and HSBC bank in contrast with Standard Chartered bank's subprime lending. Such low quality loans may have been lent with the objective to expand its operations in India.

The AQR in 2016 has also affected the foreign banks with 31.25% increase in the ratio over previous year but surprisingly HSBC bank's Gross NPA Ratio has decreased in 2016 by 10.71% over that of 2015. This may be due to prudent accounting by the bank before the review which means that it already recognised the due accounts as non-performing. Citibank's increase in 2016 was only 9.45% as against Standard Chartered bank's 58.88%. Thus, Standard Chartered bank along with high Gross NPA ratio also had non-recognised accounts in its books which were unearthed during the special inspection. Thus, Standard Chartered Bank has been the overall driver of high NPA Ratio of foreign sector in India.

Analysis 3: Interrelation between NPAs and Profitability of Banks of All the Three Sectors.

Karl Pearson's product moment correlation has been administered at 5% level of significance.

NULL HYPOTHESIS (H_0): There is no statistically significant correlation between Gross NPA and Net Profit of Banks for the past 11 years.

ALTERNATIVE HYPOTHESIS (H_1): There is statistically significant correlation between Gross NPA and Net Profit of Banks for the past 11 years.

<i>PUBLIC SECTOR BANKS</i>	<i>GROSS ADVANCES (Rs. Million)</i>	<i>GROSS NPAs (in Rs. Million)</i>	<i>GROSS NPA RATIO (in %)</i>	<i>NET PROFIT (in Rs. Million)</i>
GROSS ADVANCES (in Rs. Million)	1			
GROSS NPAs (in Rs. Million)	0.852005494	1		
GROSS NPA RATIO (in %)	0.710401818	0.964021709	1	
NET PROFIT (in Rs. Million)	-0.067337015	-0.570066867	-0.71571902	1

TABLE 3.1: PUBLIC SECTOR BANKS (*Compiled from: Appendix A*)

<i>PUBLIC SECTOR BANKS</i>	<i>GROSS ADVANCES (Rs. Million)</i>	<i>GROSS NPAs (in Rs. Million)</i>	<i>GROSS NPA RATIO (in %)</i>	<i>NET PROFIT (in Rs. Million)</i>
GROSS ADVANCES (in Rs. Million)	1			
GROSS NPAs (in Rs. Million)	0.931110535	1		
GROSS NPA RATIO (in %)	-0.211076298	0.13461263	1	
NET PROFIT (in Rs. Million)	0.981777636	0.8599754	-0.325749	1

TABLE 3.2: PRIVATE SECTOR BANKS (*Compiled from: Appendix B*)

<i>PUBLIC SECTOR BANKS</i>	<i>GROSS ADVANCES (Rs. Million)</i>	<i>GROSS NPAs (in Rs. Million)</i>	<i>GROSS NPA RATIO (in %)</i>	<i>NET PROFIT (in Rs. Million)</i>
GROSS ADVANCES (in Rs. Million)	1			
GROSS NPAs (in Rs. Million)	0.930079192	1		
GROSS NPA RATIO (in %)	0.4861235	0.744604349	1	
NET PROFIT (in Rs. Million)	0.90588732	0.754869965	0.346078841	1

TABLE 3.3: FOREIGN BANKS (*Compiled from: Appendix C*)

Correlation Analysis: Net profit of the banks includes interest income and other income. Interest income includes interest/discount earned on advances/bills, income on investments, interest on balances with RBI and other inter-bank funds and other interest income. Other income includes non-interest incomes like commission on exchange and brokerage, profit/loss on sale of investments, revaluation of investments, sale of land and other assets, exchange transactions and other miscellaneous income. However, the interest income has a major share in the total income.

Inference 3.1: Null Hypothesis is rejected for all the three sectors as there is moderate negative correlation (-0.5701) for public sector banks, significant positive correlation (+0.8600) for private sector banks and significant positive correlation (+0.7549) for foreign banks between Gross NPAs and Net Profit for the past 11 years. The Public sector banks'

negative correlation is a direct implication of the provisioning norms of RBI with respect to NPAs. As the non-performing assets increase in the banks' books, more provisions have to be made with respect to defaulting parties and higher provisions have to be made with respect to time (i.e. as the proportion to be written off increases with the period of NPAs) by the banks. It can be understood as, to improve the financial performance of public sector banks, the banks need to reduce their NPAs as they have a high dependency on interest income in their total income calculated at 89.26% (for 2016) (calculated from data from RBI website). The same data for private and foreign banks gives completely opposite results with strong positive correlation. This may be due to relatively lower dependency of private banks on interest income (83.31%) and a negative correlation (-0.2111) between Gross Advances and Gross NPA Ratio. Thus, as the business of private banks increase the proportion of NPAs starts declining, reflecting their gradual success in management and reduction of NPAs. The foreign banks also have lower dependency (80.70%) on interest income and a low positive correlation (+0.4861) between Gross Advances and Gross NPA Ratio which reflects their relative efficiency in expansion as a sector. The correlation between Gross Advances and Gross NPA Ratio of public sector banks is high and positive which means that along with increase in loan advanced, the proportion of NPAs also increases which is worrisome.

Table 3.1 has statistically insignificant correlation (-0.0673) between Gross Advances and Net Profit of public sector banks for the past 11 years. This means that any incremental loan advanced by the public sector banks is relatively more vulnerable to become bad. Whereas the same cell of Table 3.2 and Table 3.3 give significant positive correlation (+0.9818) and (+0.9059) respectively. This reflects the efficiency and prudent expansionary policies of the private and foreign banks.

Overall, the private sector banks have proved to be most efficient among the three sectors. The foreign banks are more efficient than the public sector but hold a very small share in the Indian Banking System at 4.2% and thus have minimal effect overall.

CONCLUSION

The world average of Gross Non-Performing Assets Ratio stood at just 3.9% in 2016 while that of India was reported at 7.5%. India's Gross NPA ratio is not only above world average but also higher than the average of lower middle income countries: the category in which it was classified by the World Bank in 2016. The Government of India and the Reserve Bank of India have taken some major steps towards the resolution of the issue including the Asset Quality Review (AQR) in 2016 and the enactment of the Insolvency and Bankruptcy Code (IBC) in May 2016. Overall in the Indian Banking System, the private sector banks have managed to keep NPA at low levels. It's the public sector banks which have high proportion of low quality advances and with the public sector holding 71.24% of the market share in Gross Advances has driven India's Gross NPA Ratio to a high level. A sector-wise approach with holistic remedial action is required to tackle the menace with preventive and curative measures both at the generation and recovery level.

RECOMMENDATIONS, STRATEGIES AND SUGGESTIONS FOR MANAGEMENT OF NPAS

The current rise of NPAs with its severe adverse impact on the banks and economy makes it indispensable to control and manage NPAs and maintain it at lowest possible levels. Strategies to control the NPA menace may be divided into two categories: (A) Preventive measures and (B) Curative measures.

(A) *Preventive Measures*: They prevent the asset from becoming a non performing asset. Banks has to concentrate on the following to minimize the level of NPAs.

- (i) Early recognition of the problem: Identification of weakness in the very beginning is imperative. Assessment of the potential of revival may be done on the basis of a techno-economic viability study. Restructuring should be attempted where, after an objective assessment of the promoter's intention, banks are convinced of a turnaround within a scheduled timeframe. In respect of totally unviable units as decided by the bank, it is better to facilitate winding up/ selling of the unit earlier, so as to recover whatever is possible through legal means before the security position becomes worse. The Early Warning Signals (EWS) are those which clearly indicate or show some signs of credit deterioration in the loan account. They indicate the potential problems involved in the accounts so that remedial action can be initiated immediately. In fact most banks have EWS for identification of potential NPA. Some of these early warning signals which help in early recognition of NPAs are:

Financial Warning Signals: Default in repayment; Continuous irregularity in the account; Devolvement of L/C or invocation of guarantees; Deterioration in working capital position or in liquidity; Declining sales compared to previous period; Substantial increase in long-term debts in relation to equity; Rising sales but falling profits; Incurring operating losses or net losses; Rising level of bad debt losses.

Operational Warning Signals: Underutilisation of plant capacity; Non-payment of electricity, wages, other outstanding liabilities; Frequent labour-management conflict resulting in strikes, lockouts, etc; Poor diversification and frequent changes in plans for expansion or diversification or modernisation; Evidence of overstocking and aged inventory; Loss of critical customers.

Managerial Warning Signals: Diversion of funds and poor financial controls; Lack of cooperation from key managerial personnel; Change in management or ownership pattern or key personnel; Undertaking of undue risks; Fudging of financial statements

Banking Signals: Frequent request for further loans; Delays in servicing of interest; Reduction of operations in the accounts or reduction of bank balances; Opening of accounts with other banks; Dishonour of cheques or return of bills sent for collection; Not routing sales transactions through the account; Delays in submitting stock statement and other data or non- submission of periodical statements.

External Warning Signals: Economic recession; Introduction of new technology; Changes in government policies; Emergence of new competition; Natural calamities; Weakening of industry characteristics.

- (ii) Credit Assessment and Risk management: Credit assessment and Risk management mechanism are ever lasting solution to the problem of NPAs. Managing credit risk is a much more forward looking approach and is mainly concerned with managing the quality of credit portfolio before default takes place. The documentation of credit policy and credit audit immediately after the sanction is necessary to upgrade the quality of credit appraisal in banks. In a situation of liquidity overhang the enthusiasm of the banking system is to increase lending with compromise on asset quality, raising concern about adverse selection and potential danger of addition to the NPA's stock. It is necessary that the banking system is equipped with prudential norms to minimize if not completely avoid the problem of credit risk and develop an effective internal credit risk models for the purpose of credit risk management.
- (iii) Identifying Wilful defaulters/ borrowers with genuine intent: Identifying borrowers with genuine intent from those who are non-serious with no commitment or stake in revival is a challenge confronting bankers. Here the role of frontline officials at the branch level is paramount as they are the ones who have intelligent inputs with regard to promoters' sincerity, and capability to achieve turnaround. Based on this objective assessment, banks should decide as quickly as possible whether it would be worthwhile to commit additional finance. In this regard banks may consider having "Special Investigation" of all financial transaction or business transaction, books of account in order to ascertain real factors that contributed to sickness of the borrower. Banks may have panel of technical experts with proven expertise and track record of preparing techno-economic study of the project of the borrowers. Borrowers having genuine problems due to temporary mismatch in fund flow or sudden requirement of additional fund may be entertained at branch level, and for this purpose a special limit to such type of cases should be decided. This will obviate the need to route the additional funding through the controlling offices in deserving cases, and help avert many accounts slipping into NPA category.
- (iv) Post sanction follow up and supervision: Follow up function includes ensuring the specified end-use of funds and detecting deviations from terms of sanction. It also includes making periodic assessment of the health of the advances by noting some of the key indicators of performance like profitability, activity level, and management of the unit and ensuring that the assets created are effectively utilized for productive purposes and are well maintained.

The objective of supervisory function is to ensure that effective follow up of advances is in place and asset quality of good order is maintained and to look for early warning signals, identify 'incipient sickness' and initiate proactive remedial measures.

(B) *Curative Measures*: The curative measures are designed to maximize recoveries so that banks funds locked up in NPAs are released for recycling. The Central government and RBI have taken steps for controlling incidence of fresh NPAs and creating legal and regulatory environment to facilitate the recovery of existing NPAs of banks.

- (i) Identification and Ascertainment of Credit Default Risk

In order to assess the credit default risk the concerned bank has to check the following five C's from the borrower.

- Cash flows reflecting the earning capacity of the borrower.
- Collateral - the tangible assets of the borrowers who intends to mortgage.
- Character – the management capabilities of the concerned party.
- Conditions - the loan covenants to safeguard the lenders interest and
- Capital - referring to the buffer to absorb earnings shocks.

Utilization of credit default protection measures and instruments: Once the credit default is ascertained and quantified, credit default protection measures and instruments like credit default swaps, credit default options and credit linked notes can be utilized.

- (ii) Corporate Debt Restructuring (CDR): The objective of the Corporate Debt Restructuring (CDR) framework is to ensure timely and transparent mechanism for restructuring the corporate debts of viable entities facing problems, outside the purview of BIFR, DRT and other legal proceedings, for the benefit of all concerned. In particular, the framework will aim at preserving viable corporates that are affected by certain internal and external factors and minimize the losses to the creditors and other stakeholders through an orderly and coordinated restructuring programme.
- (iii) Debt Recovery Tribunals (DRTs): DRTs were set up under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Under the Act, two types of Tribunals were set up i.e. Debt Recovery Tribunal (DRT) and Debt Recovery Appellate Tribunal (DRAT). An important power conferred on the Tribunal is that of making an interim order (whether by way of injunction or stay) against the defendant to debar him from transferring, alienating or otherwise dealing with or disposing of any property and the assets belonging to him within prior permission of the Tribunal. This order can be passed even while the claim is pending.
- (iv) Lok Adalats: The Lok Adalats institutions help banks to settle disputes involving accounts in doubtful and loss categories. These are proved to be an effective institution for settlement of dues in respect of smaller loans. The Lok Adalats and Debt Recovery Tribunals have been empowered to organize Lok Adalats to decide for NPAs of up to Rs. 20 lakhs.
- (v) SARFAESI Act, 2002: The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, of 2002, allow banks and financial institutions to auction properties (residential and commercial) when borrowers fail to repay their loans. It enables banks to reduce their non-performing assets (NPAs) by adopting measures for recovery or reconstruction. Upon loan default, banks can seize the securities (except agricultural land) without intervention of the court. SARFAESI is effective only for secured loans where bank can enforce

the underlying security (e.g. hypothecation, pledge and mortgages). In such cases, court intervention is not necessary, unless the security is invalid or fraudulent. However, if the asset in question is an unsecured asset, the bank would have to move the court to file civil case against the defaulters.

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APPENDIX: A - PUBLIC SECTOR BANKS' VARIABLES

YEAR (As on March 31)	GROSS ADVANCES (in Rs. Million)	GROSS NPAs (in Rs. Million)	GROSS NPA RATIO (in %)	NET PROFIT (in Rs. Million)
2006	11347238	421172	3.71	165387
2007	14644950	389730	2.66	201521
2008	18190740	406000	2.23	265917
2009	22834734	459176	2.01	343726
2010	25193309	573009	2.27	392569
2011	30798042	710474	2.31	449007
2012	35503892	1124892	3.17	495138
2013	45601686	1644616	3.61	505827
2014	52159197	2272639	4.36	370189
2015	56167175	2784679	4.96	375400
2016	58183484	5399564	9.28	-179930

APPENDIX: B - PRIVATE SECTOR BANKS' VARIABLES

YEAR (As on March 31)	GROSS ADVANCES (in Rs. Million)	GROSS NPAs (in Rs. Million)	GROSS NPA RATIO (in %)	NET PROFIT (in Rs. Million)
2006	3151011	75988	2.41	49745
2007	4182410	91450	2.19	64653
2008	5236990	129220	2.47	95219
2009	5751668	167874	2.92	108676
2010	5795349	173067	2.99	131114
2011	7232054	179049	2.48	177116
2012	8716413	182102	2.09	227180
2013	11512463	203817	1.77	289954
2014	13602528	241835	1.78	337541
2015	16073394	336904	2.1	387347
2016	19726588	558531	2.83	413137

APPENDIX: C - FOREIGN BANKS' VARIABLES

YEAR (As on March 31)	GROSS ADVANCES (in Rs. Million)	GROSS NPAs (in Rs. Million)	GROSS NPA RATIO (in %)	NET PROFIT (in Rs. Million)
2006	959052	20370	2.12	30686
2007	1246770	23990	1.92	45852
2008	1606580	30840	1.92	66122
2009	1660116	72487	4.37	75097
2010	1632130	71105	4.36	47409
2011	1929719	50445	2.61	77189
2012	2267773	62689	2.76	94264
2013	2604049	79256	3.04	115865
2014	2995755	115678	3.86	101397
2015	3366090	107578	3.2	128032
2016	3763373	157980	4.2	108275

APPENDIX: D - ALL SCHEDULED COMMERCIAL BANKS' VARIABLES

YEAR (As on March 31)	GROSS ADVANCES (in Rs. Million)	GROSS NPAs (in Rs. Million)	GROSS NPA RATIO (in %)	NET PROFIT (in Rs. Million)
2006	15457301	517531	3.35	245818
2007	20074130	505170	2.52	312026
2008	25034310	566060	2.26	427259
2009	30246518	699537	2.31	527499
2010	32620788	817181	2.51	571092
2011	39959815	939969	2.35	703313
2012	46488078	1369683	2.95	816583
2013	59718199	1927688	3.23	911647
2014	68757479	2630152	3.83	809127
2015	75606658	3229161	4.27	890778
2016	81673445	6116074	7.49	341482

Disclosures in BR Report of Listed Indian Companies

Alok Kumar*

ABSTRACT

Purpose: *The foundation of any composition of corporate governance is disclosure and reporting. This paper examines the nature, level and extent of the disclosures in Business Responsibility Report (abbreviated as BR Report/BRR) by top 50 NSE listed Indian companies as per mandatory guidelines under SEBI's (LODR) regulations 2015 and clause 55 of listing agreements. This study also points out the, trends, pattern and contents in BR Report disclosure and its constituent themes.*

Methodology: *Paper relies on secondary data collected from annual report of the selected companies available on their websites for the FY2016-17. In order to study the nature and extent of disclosure practices a composite disclosure index score has been framed on the basis of SEBI's suggested framework and guidelines. Based upon the sample data and its extensive content analysis, result of the analysis reveals that there is significant difference in disclosures of BR report adopted by selected Indian companies.*

Findings and Suggestions: *Precisely, outcomes of this study would be added to the existing knowledge on ESG mandatory and voluntarily disclosure especially in BR reporting disclosure as per SEBI's (LODR) regulations 2015 and clause 55 of listing agreements for greater transparency ensuring mandatory compliance of corporate governance norms. Major finding has been elaborated as per industry separately, explicate more BR Report, it relies on comply or explain and progress set against expectations of listed company's BR Report disclosures score results. Further analysis yields the 2X2 BR Report matrix categorized across four quadrants - pace setters, smart utilizes, starting out and low efficiency.*

Conclusion: *The disclosure scoring model is used to collect ESG information in BR Reports, comprehensively suggesting the strong and weak areas of the listed entities. This study also has implications for regulators and policy makers. Moreover, the findings of this study should strongly motivate Indian policy makers to review BR Reporting guidelines under SEBI (LODR) Regulations, 2015 and clause 55 of listing agreements. It is acknowledged that legislation and regulations can significantly influence trends and patterns of disclosure in BR Reports.*

Keywords: *BR Report, Disclosure, Corporate Governance, Clause 55, SEBI, Annual Report, Indian Companies*

INTRODUCTION

Governance is all about maximizing stakeholder's value lawfully, ethically and sustainably. Good corporate governance includes a vigilant board of directors, rational disclosure

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and adequate reporting of meaningful information about the board and management process. Traditionally, the reporting practices of Indian companies have been poor as compared to their western counterparts. There are various users of accounting information with their diverse needs for such information. These users are the various stakeholders to the business viz. shareholders, investors, lenders, analysts, researchers, government and various regulatory bodies. Hence the definition of reporting as provided by Global Reporting Initiative (GRI) G3 guidelines is more apt which states “Reporting is the practice of measuring, disseminating and being accountable to internal and external stakeholders so as to provide a balanced and reasonable representation of performance (National Voluntary Guidelines, MCA GoI 2011)”. Two years after the issuance of the voluntary corporate social responsibility guidelines by Ministry of Corporate Affairs Government of India designed the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business¹ in July 2011. The NVG SEE responsibilities of business were released to encourage adoption of sustainability and mainstream reporting on environmental, social and governance metrics. NVG-SEE provides businesses a framework which enables them to move towards responsible decision making and urges them to adopt the “triple bottom-line” approach. As per SEBI’s requirement under clause 55 of the listing agreement all public equities are required to comply with certain disclosure norms linked to corporate governance.

Globally, there is an augmented realization and acceptability that superior corporate governance is indispensable to build a business environment of trust, transparency and responsibility in order to support sustainable economic growth. SEBI with idea of convey the fundamental frame governing the regime of listed entities in line with the Companies Act, 2013 and at the moment compiling all the mandates of different SEBI Regulations/Circulars governing under the ambit of a single document, has notified SEBI (listing obligations and disclosure requirements) Regulations (hereinafter referred as “LODR” or “Listing Regulations”) on September 02, 2015, thereby giving all the listed entities and Stock Exchanges, a time span of 90 days to implement the said listing regulations. To have a uniform disclosure policy to follow best in class of corporate governance practices with respect to disclosures, to ensure timely, adequate and accurate disclosure on an ongoing basis. With the prologue of the SEBI’s (LODR) Regulations, 2015 an attempt has been made to mandate disclosures by a listed entity in an adequate, accurate and timely manner by proper and timely disclosure through different reports before their stakeholders to maintain transparency between the company and the shareholders and in order to enhance and retain investor’s trust. The SEBI’s (LODR) Regulations provide comprehensive disclosure framework that companies will be compelled to comply with in order to maintain their status as listed company. Thus, Regulation 34² has also introduced the concepts of transparency and accountability in a stricter sense which will result in more accurate and adequate disclosures in a timely manner (Annual reports within 21 work days of being approved and adopted at the

¹http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines201112jul2011.pdf

²See SEBI’s (LODR) Regulations, 2015 Notification No. SEBI/LAD-NRO/GN/2015-16/013, Pg. 32

AGM). As per clause (f) of sub regulation (2) of the SEBI's LODR 2015 Regulation 34³, the annual report should contain a BR Report (Clause 55 of listing agreement) explaining the programs undertaken by the listed companies from environmental, social and governance (ESG) perspective, as per the layout/format as specified by SEBI.

LITERATURE REVIEW

The growing accounting research in the social and environmental disclosure area has largely focused on the extent and determinants of disclosure in annual reports in a single country setting. *It is not only* a commitment of an enterprise to operate in an economic, social and environment sustainable approach while balancing the interests of diverse stakeholders but basic aim of these reporting and disclosure practices is two-fold, firstly to help businesses to use their entrepreneurship to effectively contribute to the economic and social betterment of society and secondly to make their operations sustainable in a manner that enables them to meet their contemporary needs without compromising the needs of the future generation.

Now a days companies are more and more seen as decisive components of social system and they are considered responsible not merely to their stakeholders from a returns and profitability perspective but also to the society as whole which is also regarded as its stakeholder. Consequently, adoption of responsible business practices in the interest of the social set-up and the environment are as crucial as their financial and operational performance. This is all the more relevant for listed entities which, considering the fact that they have accessed resources from the public, have an element of public interest involved, and are obligated to make extensive continuous disclosures on a regular basis. The key areas required to be reported by the entities include environment, social, governance and stakeholder relationships. This SEBI directive has been applicable to the listed companies from April, 2016 and remaining companies would be fall under its ambit in a phased approach.

The Global Reporting Initiative (GRI 2006) characterizes sustainability as the practice measuring performance on economic, environmental, and social impacts to internal and external stakeholders. KPMG (2008, p.12) uses the term 'corporate responsibility' to describe the ethical, economic, environmental and social impacts and issues that concern the private sector. The lack of interest towards the degree of corporate disclosure and reporting followed by poor corporate governance in the corporate world led the global economy to face financial scandals, and frauds. The accounting meaning of disclosure is not very exhaustive since it talks about revealing information with respect to the financial statements. When we are trying to seek information about a business, how it is being conducted, how it is performing when performance in itself has many contexts so mere accounting definition is not sufficient. There are various users of accounting information with their diverse needs for such information. Hence the explanation of disclosures as provided by GRI G3 Guidelines⁴ is more apt which states

³ https://www.sebi.gov.in/sebi_data/attachdocs/1441284401427.pdf

⁴Global Reporting Initiative (2000-2011). Sustainability Reporting Guidelines © 2000-2011 GRI, Version 3.1 (<http://www.globalreporting.org>)

“Disclosure is the practice of measuring, reporting, and being accountable to internal and external stakeholders so as to provide a balanced and reasonable representation of performance (National voluntary guidelines, 2011)”.

Disclosure is an “act or process of revealing or uncovering (The Free Dictionary, 2013).” In accounting terminology disclosure is defined as a “statutory or good faith revelation of a material fact (or an item of information that is not generally known) on a financial statement or in the accompanying notes e.g. footnotes (The Business dictionary, 2013)”.

(Singhvi, 1967) Compared corporate disclosure through annual reports in India with that of United States, for the period 1964-1965 by using an index of disclosure consisting of 34 items. The sample consists of 155 US companies - 100 listed and 55 unlisted - and 45 listed Indian companies. The study noted that corporate management in general is less inclined to take the initiative in disclosing adequate information in the annual reports to stockholders, if disclosure is left to its discretion. He concluded that the disclosure of information in annual reports by the listed companies in India is less adequate and less investor-oriented as compared to listed companies in the U.S.A. The study remarked that most of the Indian companies disclose in their annual reports the information, which is required by the law, and the information, which is required by law falls short of what is desired by investors.

(Cooke, 1992) in his paper examined the extent of corporate annual report disclosure in Sweden and further tries to find an association between a number of corporate characteristics and extent of disclosure. In order to capture disclosure a scoring sheet was developed. 224 items were listed in the scoring sheet which were distributed under financial statements, measurement and valuation methods, ratios, statistics and segmental information, projections and budgetary disclosures, financial history, social responsibility accounting. It was inferred that the capital needs and foreign regulation led to more disclosures in case of companies with more disclosures.

(Ragini, 2012) examined a comparative study of Intangibles disclosure practices among Indian, US, and Japanese companies for a period of five years. The study developed a disclosure index of 180 items both mandatory and voluntary to examine the type and extent of disclosures. Both univariate and multivariate techniques were used to analyze the data. In order to test the difference between the disclosures score over the years Wilcoxon matched pair-sign rank test and paired t-test were used. It was found that though the disclosures have improved over a period in these countries. In context of India it was suggested that narrative nature disclosures should be emphasized by accounting and regulatory authorities to improve the level and extent of disclosures.

(GRI, 2012) While defining report content highlighted that to ensure a balanced and reasonable presentation of the company’s performance, a determination must be made about what content the report should cover. This determination should be made by considering both the companies purpose and experience, and the reasonable expectations and interests of the stakeholders. Both are important reference points when deciding what to include in the report.

OBJECTIVE OF THE STUDY

The present study aims to identifying and analyzing the contents and extent of socio, economic, environmental and governance disclosures in BR Report under SEBI's (LODR) Regulations 2015 and clause 55 of listing agreements in the annual reports by top 50 NSE listed Indian companies.

Hypothesis

H1: There is no significant mean difference amongst disclosure scores of firms.

H2: There is no significant difference between corporate governance disclosure scores and disclosures in business responsibility reports of selected companies.

METHODOLOGY

The nature of the said research work is descriptive to measure the reporting practices by the selected top 50 NSE listed Indian companies from different industry categorized into 13 major industry, for the purpose of this study viz.; came under mandatory disclosure of BR Reporting as per SEBI's(LODR) Regulations 2015 and clause 55 of listing agreements. This study is based on the secondary data collected from annual reports/ website or any standalone BR Report disclosure of the selected companies for the FY 2016-17. The BR Report obtained either from the annual reports of the companies or as standalone reports available on the companies' website. For study a composite disclosure index score has been framed on the basis of SEBI's suggested framework and guidelines. The information of disclosure in the annual report of the companies is categorized into different sub categories: socio, economic, environmental and governance disclosures in BR Report have been considered further the socio, economic, environmental and governance disclosures score of BR Report for companies has been calculated per industry separately to find if there is any difference between these groups in the amount and the type of ESG information disclosure.

Results are described by volume (i.e. amount) and incidence (i.e. frequencies) of ESG disclosure in BR Report; it is assumed that the amount of disclosure is related to the importance placed on a particular subject or issue in report. That is, the greater the amount of disclosure, the greater the perceived importance. The incidence of disclosure is assumed to point out a recognition and/ or concern by the company. For disclosure score a standard method has been applied:

$$\text{Disclosure Score} = \frac{\text{No. of Parameters on which company disclose BR Report}}{\text{Total no. of Parameters}}$$

Most researchers rely on content analysis for ESG disclosure in annual reports, which is widely accepted, but this study used a comprehensive content analysis for methodical order and investigation of the contents reported in BR Reports in annual reports. In this study, general mathematical techniques and descriptive statistics were used; these included averages, percentages, and the ESG index. The study incorporates a scoring system for the BR Report principle based categories to justify how many companies are disclosing in their BR Reports. Accordingly, the ESG disclosure score index (DISC_Score) of a selected company reflects the methodology used by Cooke, Ullah

and Rahman. For each category BR reporting disclosure were given a value of 1 (otherwise, 0) in a dichotomous technique recommended by **Clarkson et al**⁵. Disclosures in BR Reports by all 50 selected companies for FY 2016-17: **DISC_Score** =

$$\text{DISC_SCORE} = \sum_{i=1}^{12} di$$

Where, Score for each bank for a given year; $d_i = 1$ if the item is reported, 0 otherwise.

CONTENT ANALYSIS

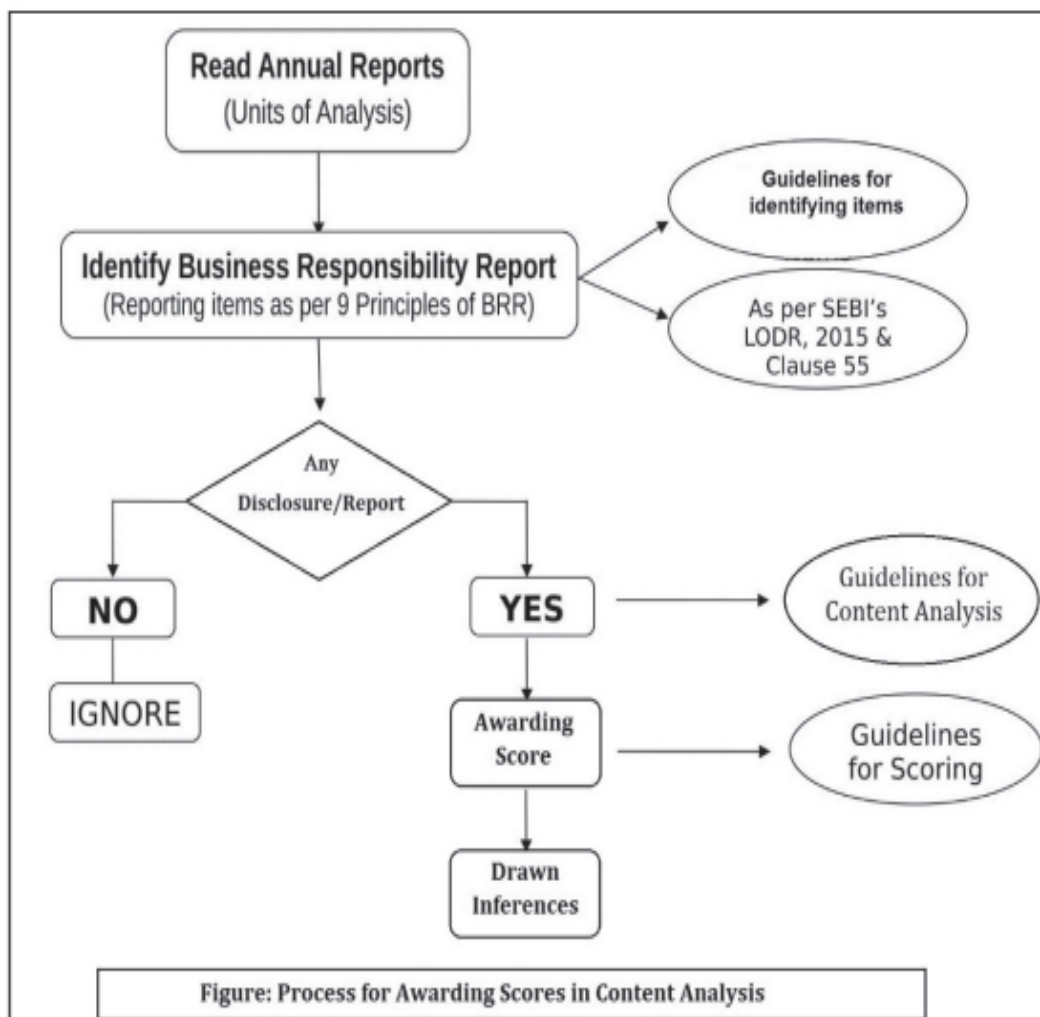
Many definitions of content analysis have appeared through the years. Although, different writers prefer different wording to define and describe this technique, particularly in the area of quantitative message analysis, the procedures or the steps of the analysis suggested by these writers take almost identical paths. One of the earliest definitions comes from **Berelson**⁶ (1952) Content analysis is a research technique for the objective, systematic, and quantitative description of the manifest content of communication". **Holsti (1969)** defined it as "any technique for making inferences by objectively and systematically identifying specified characteristics of messages". It has also been seen as a technique for gathering data that consists of codifying qualitative information, in anecdotal and literary form, into categories in order to drive quantitative scales of varying levels of complexity.

Content analysis defined by **Krippendorff (1980)** as "a research technique for making replicable and valid inferences from data to their context". Likewise, **Neuendorf (2002)** defined the content analysis as "summarizing, quantitative analysis of message that relies on the scientific method (including attention to objectivity-intersubjectivity, a priori design, reliability, validity, generalizability, replicability, and hypothesis testing) and is not limited as to the types of variables that may be measured or the context in which the messages are created or presented".

Wolfe (1991) defines the content analysis method as "coding words or other units of text against particular schema of interest reducing the text to more structured and concise units of information so that inferences can be drawn about the text or its source". Thus content analysis data are reduced into meaningful categories. Units of analysis such as words, sentences, paragraphs, pages, etc. can be classified into such similar categories. A flowchart of the classic course of content analysis research is presented in Figure 1. The study specified theoretically and then conceptually in terms of an information model, content (data samples) and the hypotheses to be addressed. The particular studies may be operationalised with respect to the variables (content categories) and coding format to be used for classification of words and word groups for analysis.

⁵Clarkson, P.; Li, Y.; Richardson, G.; Vasvari, F. Revisiting the Relation between Environmental Performance and Environmental Disclosure. Pg. 303–327.

⁶Berelson (1952, p. 18)



LIMITATIONS OF THE STUDY

Due to nature of the topic, this descriptive study is subject to certain limitations. The key limitations are: The limited disclosure (parameters) index may be considered as limitations, results may be more robust and only top 50 NSE listed companies have been selected for the one financial year, results may be different and stronger, if more listed companies and additional period of the study would be included under study. Further empirical research could be conducted to include all listed entities so that a significant hypothesis may well developed and tested.

DISCUSSION AND ANALYSIS OF BR REPORT DISCLOSURES

The companies that included in the top 50 has representation from 13 sectors. Out of the which, 42 companies have publish and have their BR Report in the public domain primarily as part of their annual reports or as standalone reports. Four companies that

do not have a BRR were those that have merged or have been bought out by other companies.

S. No	Sectors	Companies Disclosing policies for principles of BR Reports (%)	Companies Disclosing web links for BR Reports (%)
1	Industrials, Metals and Manufacturing	65%	92%
2	Financial Services	63%	83%
3	Technology, Telecommunications and Media	78%	86%
4	Construction and Material	88%	100%
5	Oil and Gas	38%	67%
6	Healthcare	43%	100%
7	Utilities	57%	75%
8	Automotive	50%	100%
9	Mining	83%	100%
10	Food and beverages	100%	100%
11	Personal and household goods	50%	0%
12	Transport	100%	0%
13	Retail	0%	1%
14	Others (Port infrastructure textiles, lubricating oils)	100%	100%

Table 2: Policies on BR Report; Sources: Compiled by Authors

PROCEDURES AND FREQUENCY OF BR REPORT

The consistency of BR Report committee or meetings of the board where performance across the nine principles is deliberated sets the commitment of the management towards business responsibility. The more frequent these meetings take place with review of disclosure and BR reporting, the additional course-correction materializes, which ultimately benefits the companies. It is observed that a several (32 companies) review the BR Report performance on an annual basis frequently. While there is a mandatory obligation to have a BRR head, it is observed that 33 companies have also appointed the board of directors, committee of the board or CEO to assess business responsibility enactment, with only few companies having a separate BR Report committee. The BR Report framework seeks the link for the policy to be viewed online. Having these policies available online on the company website is an easier way of communicating the policies to relevant stakeholders. 33 companies have policies for all the principles, and 27 companies have provided web links to view them online. It is observed that, including review of BR Report performance along with regular meetings of the board seems to be the normal course for companies.

Status of Reporting	No. of Companies	%	Nature of Reporting	No. of Companies	%
BR Report as part of	40	81%	Questionnaire based	30	60%
Annual report Separate BR Report	9	18%	Narrative	5	11%
Mapping With Sustainability Report or Non-Financial Reports	1	1%	Both	15	29%

Table 3: Type of BR reports

Majority of companies have published their BR Report as a part of their annual report. As per SEBI released the mandate for BR Report, companies were given the liberty to have a BR Report by linking the principles of the NVG to their existing sustainability reports in order to avoid multiple non-financial reports being generated. For those companies which have not yet ventured into sustainability reporting. Since there is no set time frame for publishing a sustainability report, there were some companies who have prepared a separate BR Report, outside of their sustainability report, to ensure compliance on a timely basis. Companies have included thorough disclosure on the BR aspects given by SEBI for better transparency and understanding by its stakeholders.

Principle 01: *Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.*

A code of conduct is one of the primary policies in companies which sets the minimum standard for behaviour among the management, employees, and external stakeholders. Such a code provides guidance for the regular activities of the companies to promote moral behaviour, ethical decision-making, prevent negative legal effects and encourage positive relationships.

Complete data reported	98%
No data Reported	1%
Partial data Reported	1%

Table 4: Stakeholder complaints received and resolved

SEBI in its suggested BR framework probes companies whether the code relating to ethics, bribery, and corruption is applicable only to the company or whether it extends to the other stakeholders. While the companies extend their code of conduct to its employees and business partners, it is necessary to recognize if the stakeholders have any feedback or grievances regarding ethical business conduct. Majority of companies have provided information regarding the number of stakeholder complaints received

and the percentage resolved. However, there is ambiguity in the type of stakeholders considered as the numbers are consolidated figures. This may lead to incomplete responses as some companies may not consider all the key stakeholder complaints.

Principle 02: *Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle*

There is a distinct shift in the way companies address environmental issues from merely adopting environmentally friendly initiatives, to now building strategies around climate change risks and opportunities. The suggested BR framework appeals companies to disclose information regarding products and services whose design has incorporated ESG concerns, risks and/ or opportunities. SEBI encourages companies to be aware of optimal resource use over the life cycle of the product and ensure that everyone connected with it i.e. designers, producers, customers and recyclers are aware of their responsibilities and also disclosures regarding manufacturing processes, material usage and resource reduction.

Disclosure on risks and opportunities

Majority of companies surveyed have identified products or services in consideration with ESG concerns, risks and opportunities. However, many were not able to substantiate the reductions in resources in sourcing/ production/ distribution achieved across its value chain and through usage by customers. This indicates that companies either do not have the mechanisms to monitor the data or they could not interpret the questions correctly. It is important that both environmental as well as social concerns be addressed in the life cycle of products and services. Though several companies report on both concerns, majority of companies disclose on only the environmental issues and this could probably be due to the inclination to associate sustainability with the environment while overlooking social concerns.

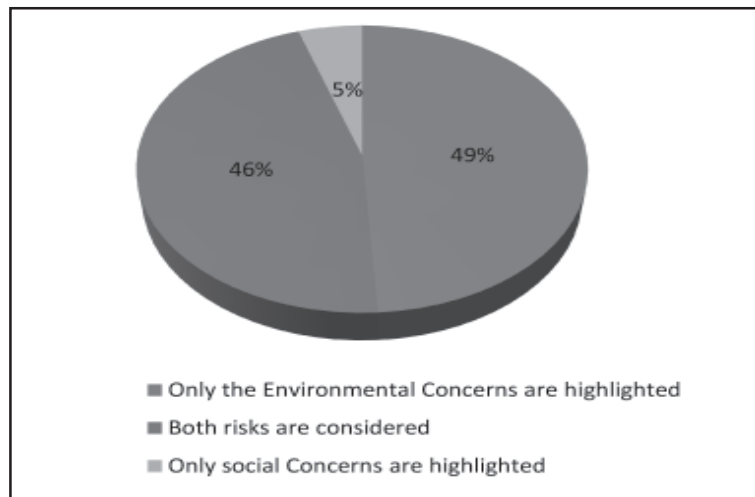


Table (Fig) 5: Type of environmental and social concerns highlighted;

Source: Compiled by author

As a responsible business, a company commits itself to developing the triple bottom-line by taking into account the ESG impacts of its products or services right from design to disposal stage. Pragmatically, companies often fail to consider entire gamut of product influence and focus on what is suitable for their business.

Sustainable Sourcing		Details on Sustainable Sourcing Disclosure	
Yes	85%	Companies reporting on percentage of inputs sourced sustainably	12%
No	15%	Only descriptive data provided	82%

Table 6: Disclosure on Sustainable Sourcing Disclosure

Majority of companies have preferred to deliver descriptive data over quantitative data. However, more disclosure on percentage of resources sourced sustainably can be valuable to stakeholders. Majority of companies only describe actions taken with respect to sustainable sourcing. The remaining companies have only provided descriptive information regarding various systems available for sustainable sourcing but could not substantiate the same.

WASTE MANAGEMENT

Along with sensible consumption of resources, proper waste and disposal mechanisms are vital in sustaining environmental stability around the work zone as well as avoiding any legal or compliance associated issues. With stringent regulations and penalties being enforced by regulatory bodies, Majority of companies are taking proactive measures to ensure adequate mechanisms are in place to effectively manage and dispose-off waste. Recycling of material is also given a lot of importance with various companies mentioning both the type and the quantity of material recycled. With adequate monitoring systems, companies can be in a better position to report on quantity of material recycled in an effort towards more transparent disclosure.

Existence of mechanisms for waste-handling		Disclosure on waste recycling	
		Quantity is mentioned along with description of the products	45%
Yes	83%	Only description of mechanisms without quantitative data	51%
No	17%	Only the quantity has been mentioned	4%

Table 7: Disclosure on waste recycling

Principle 03: *Businesses should promote the well-being of all employees*

Employees are critical internal stakeholders in any company and their well-being translates into increase in productivity resulting in the overall performance of the company. The disclosure related to complaints regarding child labour, sexual harassment and discriminatory employment was also provided by companies. Most of the companies have stated 'nil' complaints recorded, it raises doubt over the mechanisms established to capture such complaints.

No. of employees disclosed		Employees training data disclosed	
Reported as per format	92%	Reported as per format	85%
Partially addressed	8 %	Partially reported	12%
Not Reported	0%	Not reported	3%
Disclosure on employee complaints		Complaints have been disclosed	
Yes	92%	Only numbers mentioned	94%
No	8%	Detailed process given	6%

Table 8: Disclosure on employee's concerns

Employees' professional growth is one of the serious issues that translates into long-term value for the companies. Training of employees on safety and skill-up gradation helps both the companies and the individual.

Principle 04: *Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.*

Stakeholder engagement is a systematic process of involving people who may be affected by the decisions or can influence the decisions of the company. Identifying internal and external stakeholders and engaging with them helps the company to understand their concerns and work towards mutually beneficial objectives.

Identification of Vulnerable and Marginalized Stakeholders		Identification of stakeholders	
Complete set of stakeholders considered	48%		
Linked it to CSR initiatives	49%	All stakeholders are identified	93%
Not identified	3%	Not Reported	7%

Table 9: Disclosure on Vulnerable and Marginalized Stakeholders

Majority of the companies have identified their stakeholders. The format also requires companies to confirm whether disadvantaged and marginalized groups are identified as one of the stakeholders. Only half of the companies have confirmed that they have identified them as stakeholders and have responded to this disclosure requirement by explaining their CSR initiatives, where the beneficiaries are the disadvantaged and marginalized groups.

Principle 05: *Businesses should respect and promote human rights*

Protection of human rights and prevention of violations goes a long way in cementing a company's reputation. A good grievance handling system thus becomes essential in providing employees with an opportunity to come forward with their complaints and issues.

Complaints reported		Description of complaints reported	
Not reported	7%	Detailed Process given	4%
Yes (all details provided)	93%	Only numbers mentioned	96%

Table 10: Details of complaints reported

While majority of the companies have reacted by disclosing the number of stakeholder complaints related to human rights, majority of these responses are stated as 'nil complaints'. Lack of explanation of the recording process of such complaints reduces the credibility of this disclosure.

Principle 06: *Businesses should respect, protect and make efforts to restore the environment*

Any company through its operation, products and services, has an impact on the environment. The compliance to environmental regulation should be seen as the minimum commitment shown by the company towards environmental protection.

Identification of Environmental Risk		Links to Environmental Risk	
Yes	95%	Yes, given	76%
No	5%	No, not given	24%

Table 11: Disclosure on Environmental Risk

Majority of the companies have stated that they have identified the environmental risks. Few companies have disclosed or commented about strategies to address global environmental issues such as climate change, global warming, etc. Majority of them have their emissions within those set by the regulatory boards and majority have stated that they have no pending show cause notices against them.

Principle 07: *Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner*

Public policy advocacy involves activities such as litigation, lobbying, and public education that are intended to influence sections of legislation or industrial policies. Majority of companies participate in policy advocacy through various associations, to influence regulations and policies on topics like governance and economic reforms, inclusive development, energy security and sustainable business practices.

Issues	%	No. of Companies
Governance and administration	16%	8
Economic reforms	20%	10
Inclusive Development Policies	12%	6
Energy Security	16%	8
Water	8%	4
Food security	12%	6
Sustainable business Principles	6%	3
Others	10%	5

Table 12: Topics of lobbying

Principle 08: Businesses should support inclusive growth and equitable development

From study it could be established that companies must view themselves as an institution of the society that can create positive change and be instrumental towards the inclusive progress of the community.

Need impact or post impact disclosure	72%
No disclosure reported	14%
Detailed disclosure on need and post impact assessment	14%
Execution of CSR projects	
External NGO	77
In-house team	58
Government structure	48
Own foundation	39
Any other company	15

Table 13: Disclosure on Impact assessment

The mandatory spin on CSR as per the Companies Act 2013, has changed the dynamics through greater emphasis on governance and stricter monitoring and reporting obligations. All the listed companies have supported CSR activities. From study it could be concluded that companies are using numerous modes for executing their CSR activities. A majority of them prefer to work with through government bodies and external NGOs and. Some companies may not have ample resources or a CSR Foundation within their company and hence engaging with an NGO seems like an effective method.

Principle 09: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Transparent product related information, fair trade practices, responsible, advertising, and fair competition are key ingredients of a responsible business. Any responsible companies through its products and services whether customer surveys are carried out aims to create a positive value for its customers. The BR Report requires disclosures on customer complaints/ consumer cases, product labeling, complaints pertaining to unfair trade practices/unreliable advertising/anticompetitive behavior, and customer satisfaction surveys.

Yes (Additional information not given)	38%
Yes (Additional information given)	25%
NA	24%
Not reported	13%

Whether customer surveys are carried out	
Details of Survey Given	36%
Not reported	9%
Answer Mentioned in yes/ no only	55%

Table 14: Information on product labeling

All companies recognize that customer satisfaction is imperative and have established customer surveys to assess it. Majority of the companies carry out customer satisfaction surveys with 36 per cent of them providing details on the surveys conducted.

BUSINESS RESPONSIBILITY REPORTING MATRIX

BR Report is relies on sectional and principle based disclosure established through comply or explain module. To explicate comply or explain and progress versus expectations, listed company's BR Report performance and disclosure score results have been categorized across four quadrants - Pace setters, Smart utilizes, Starting out and Low efficiency. BR Report scores are divided into high or low by using the median score as a cut-off. Similarly BR Report Disclosure Score is separated into high or low by using the median score percentage as a cut-off. This yields the **2X2BRReporting matrix** as depicted under:

Pace Setters: These are companies that disclose relatively large volumes in BR Report and have relatively high BR Report scores. 48 companies fall in this category. The average scores as well as BR Report spending as percentage for this quadrant was consistently above overall average across all key parameters. This trend was evident in all the key industries in the quadrant.

Smart Utilizes: These companies spend relatively less on BR Report but have higher scores on BR Report. 32 companies fall in this category. The average scores for the quadrant were high in sustainability compared to overall average, but the average disclosure.

Low Effectiveness: These companies spend a relatively larger amount on BR Report but have relatively low BR Report scores. Possibly they have not yet realized the benefits of their investment. An alternative explanation could be that these companies are inefficient. 28 companies fall in this category.

Starting out: These companies score relatively less on BR Report disclosure score and also have lower disclosure scores. 30 companies fall in this category. The average scores for the quadrant were least across all key parameters and spend on BR Report activities too was low.

Across quadrants companies perform well in BR reporting disclosures and tend to perform relatively weak on some principles. Pace setters tend to score more on all factors except external environment responsibilities. These firms need to work on improving BR Reporting focus on external environment. The scores are least bunched for firms that are starting out implying weak disclosure attempts at BR Report and environment.



Firms that are starting out tend to perform poorly on ESG disclosures – they still have to go a long way to be more responsible on their ESG disclosures in BR Reporting. Their disclosures are also a cause for concern. Smart utilizers tend to perform fairly well on all BR disclosures counts. Low efficiency firms tend to perform below par on all disclosures parameters in BR Report.

MAJOR FINDINGS

The study identifies that overall there is a dramatic increase in the number of disclosing companies; disclosure quantity; and disclosure quality among companies during the study period.

- The key *components of BR reporting* are inadequately identified, inefficiently managed, and are reported within a consistent framework by very few sectors. The food and beverage sector do well here as they not only have policies for all nine principles but have also provided a link for viewing them. The transport and leisure sector, while having the policies, does not given any link to view them.
- The finance and heavy industry sectors are a particular focus for policy makers and regulators. Beyond the financial sector, heavy industries are battered for their greater ESG impacts relative to other sectors, especially in the environment and health areas.
- The technology, media and telecom sectors have been active in preparing narrative reports. 15 companies have prepared a BR Report in the manner of the BR suggested framework, but also with some voluntary disclosure.

- The companies that have not identified ESG concerns in their products/services belong to the financial services and technology, media and telecom sectors.
- A majority of the companies only describe qualitatively the different methods they employ to efficiently recycle their waste. Some of the best performers come from the automotive, construction, food and beverage, transport and leisure and the sectors where 100 per cent of the companies have waste-handling mechanisms.
- Majority of the companies from the food and beverage and the personal and household goods sector have not disclosed any impact assessment done for their CSR activities. While disclosing initiatives for ESG concern, the personal and household goods sector performs well among selected companies.
- A review of companies' clusters (environment prone) within the study suggests that some individual firms are significantly ahead of others in its BR report.

CONCLUSION

The results of study contribute to the existing knowledge and to identify the gap in ESG disclosures in BR Report as per BR Reporting guidelines under SEBI (LODR) Regulations, 2015 and clause 55 of listing agreements. As the business for sustainability emerges stronger with every passing year, policy-makers and regulators across the world have been seeking better disclosure in order to induce the corporate sector to acknowledge and manage the environmental and social externalities of their business operations and to make their governance processes more robust and transparent. The study has carried out to research objectives connecting to disclosure in BR reporting practices by selected Indian companies. The disclosure scoring model is used to collect ESG disclosures in BR Reports, comprehensively suggesting the strong and weak areas of the listed entities. This study also has implications for regulators and policy makers. When regulatory guidelines and standards being adopted and companies characteristics have an influence on disclosure score. The quality of accounting standard and strict adherence of the accounting standard leads to higher disclosure score. The mode of reporting practices has an impact on disclosure score. The total disclosure index framed for these categories have scored against the disclosed information. Moreover, the findings of this study should strongly motivate policy makers to review BR Reporting guidelines under SEBI (LODR) Regulations, 2015 and clause 55 of listing agreements. Though, The traditional annual reports and website disclosure are still the most commonly used reporting means by companies while stand-alone separate BR reports sections/segments on website reports are found to be more informative than other disclosure media, indicating its potential value as the key information media in the future years.

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APPENDICES

Table 01: Business Responsibility Reporting Disclosures

Item no.	S. No.	Information/Disclosure
Section A: General Information about the company		
1	1	Corporate Identity Number (CIN) of the Company
2	2	Name of the company
3	3	Registered Address
4	4	Website
5	5	E-mail id
6	6	Financial Year reported
7	7	Sector(s) that the Company is engaged in (industrial activity code-wise)
8	8	List three key products/services that the Company manufactures/ provides (as in balance sheet)
9	9	Total number of locations where business activity is undertaken by the Company
10	i.	Number of International Locations (Provide details of major 5)
11	ii.	Number of National Locations
12	10	Markets served by the Company – Local/State/National/International/
Section B: Financial details of the company		
13	1	Paid up Capital (INR)
14	2	Total Turnover (INR)
15	3	Total profit after Taxes (INR)
16	4	Total spending on Corporate Social responsibility (CSR) as percentage of profit after tax (%)
17	5	List of activities in which expenditure in 4 above has been incurred:-
Section C: Other Details		
18	1	Does the company mentions about its subsidiary company/ companies in BR Report
19	2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?
20	3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

Section D: BR Information

- | | | |
|----|----|---|
| 21 | 1 | Information about the Director/Director/executive responsible for implementation of the BR policy/policies. |
| 22 | 2 | Information about the BR head Principle-wise (as per NVGs) BR Policy/policies |
| 23 | 3 | Do you have policy/policies in accordance with and for all 9 principles (if a co have policy for majority of principles and reason & time frame for not having for others is mentioned then 1 has been assigned.) |
| 24 | 4 | Has the policy being formulated in consultation with the relevant stakeholders? |
| 25 | 5 | Does the policy conform to any national /international standards? If yes, specify? |
| 26 | 6 | Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director? |
| 27 | 7 | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? |
| 28 | 8 | Is there a mention of link for the policy to be viewed online? |
| 29 | 9 | Has the policy been formally communicated to all relevant internal and external stakeholders? |
| 30 | 10 | Does the company have in-house structure to implement the policy/policies? |
| 31 | 11 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievances related to the policy/policies? |
| 32 | 12 | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? |
| 33 | 13 | If the company has no policy with respect to any of the principles or all the principles has it mentioned the reason for this? |
| 34 | 14 | Does the company provides some timeline for putting such policy/policies in place.? |
| 35 | 15 | Is there a mention about the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company? |
| 36 | 16 | Does the Company mentions about the publication of BR report? |
| 37 | 17 | Does the Company mentions the hyperlink for viewing the published BR report? |

38 18 Does the Company mentions about the frequency of publication of BR report?

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

39 1 Apart from the company itself does the policy relating to ethics, bribery and corruption extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

40 2 Does the Company mentions about the stakeholder complaints have been received / not received in the past financial year and also about percentage of satisfactorily resolution by the management

Principle 2: Business Should provide goods and services that are safe and contribute to sustainability throughout their life cycle

41 1 Is there a mention of company's products or services whose design has incorporated social or environmental concerns, risks and/or opportunities?

42 2 For each such product mentioned, are the details provided in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

43 3 Is there information about reduction of resources during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

44 4 Is there information about reduction during usage by consumers (energy, water) has been achieved since the previous year?

45 5 Is there information about the company having procedures in place for sustainable sourcing (including transportation)?

46 6 Is there information about the percentage of inputs which were sourced sustainably?

47 7 Has the company taken any steps to procure goods and services from and tried to improve the capacity of local & small producers, including communities surrounding their place of work?

48 8 Does the company provide information about some mechanism in place to recycle products and waste?

Principle 3: Businesses should promote the wellbeing of all employees

49 1 Information of Total number of employees.

50 2 Information on Total number of employees hired on temporary/ contractual/casual basis.

51 3 Information on Number of women employees.

- | | | |
|----|---|--|
| 52 | 4 | Information on Number of employees with disabilities |
| 53 | 5 | Information on employee association that is recognized by management |
| 54 | 6 | Information on number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending/resolved, as on the end of the financial year. |
| 55 | 7 | Information on employees given safety & skill up-gradation training in the last year |

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- | | | |
|----|---|--|
| 56 | 1 | Has the company mapped its internal and external stakeholders? |
| 57 | 2 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? |
| 58 | 3 | Is there information on any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? |

Principle 5: Businesses should respect and promote human rights

- | | | |
|----|---|--|
| 59 | 1 | Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others? |
| 60 | 2 | Information on stakeholder complaints received in the past financial year and satisfactory addressesal of such complaints. |

Principle 6: Business should respect, protect, and make efforts to restore the environment.

- | | | |
|----|---|---|
| 61 | 1 | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others. |
| 62 | 2 | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc, with a hyperlink for webpage? |
| 63 | 3 | Does the company identify and assess potential environmental risks? |
| 64 | 4 | Does the company have any project related to Clean Development Mechanism with a mention of any environmental compliance report is filed? |
| 65 | 5 | Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., with a hyperlink for web page? |

- 66 6 Is there information on the Emissions/Waste generated by the company being within the permissible limits given by CPCB/SPCB for the financial year being reported or Is there a reduction in emissions from last year?

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 67 1 Is there information of company's membership of any trade and chamber or association with which it deals?

- 68 2 Is there information on company Having advocated/lobbied through above associations for the advancement or improvement of public good with mention of specific areas of Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Principle 8: Businesses should support inclusive growth and equitable development

- 69 1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

- 70 2 Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other company?(if any of them is present then 1 otherwise 0)

- 71 3 Is there information on any impact assessment of company's initiative?

- 72 4 Information on company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

- 73 5 Information on steps taken to ensure that the above community development initiative is successfully adopted by the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 74 1 Information on customer complaints pending or not as on the end of financial year.

- 75 2 Information on the company displaying product information on the product label, over and above what is mandated as per local laws?

- 76 3 Information on any case filed or not by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending on end of financial year.

77 4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Sources: *Compiled by Authors*

Table 02: Top 50 NSE Listed Companies based on Market Capitalization FY 2016-2017

Name of top NSE listed entities		Name of top NSE listed entities	
1	Tata Consultancy Services Limited	26	Asian Paints Limited
2	Reliance Industries Limited	27	Bharat Petroleum Corporation Limited
3	HDFC Bank Limited	28	IndusInd Bank Limited
4	ITC Limited	29	Vedanta Limited
5	Housing Development Finance Corporation Limited	30	Bajaj Auto Limited
6	Oil & Natural Gas Corporation Limited	31	Mahindra & Mahindra Limited
7	Infosys Limited	32	Adani Ports and SEZ Limited
8	State Bank of India	33	Eicher Motors Limited
9	Hindustan Unilever Limited	34	Bosch Limited
10	Indian Oil Corporation Limited	35	Yes Bank Limited
11	Maruti Suzuki India Limited	36	Lupin Limited
12	Coal India Limited	37	Bajaj Finserv Limited
13	Sun Pharmaceuticals Industries Limited	38	Hero MotoCorp Limited
14	ICICI Bank Limited	39	Bajaj Finance Limited
15	Kotak Mahindra Bank Limited	40	GAIL (India) Limited
16	Larsen & Toubro Limited	41	Bharti Infratel Limited
17	Bharti Airtel Limited	42	Shree Cements Limited
18	NTPC Limited	43	Cairn India Limited
19	Tata Motors Limited	44	Godrej Consumer Products Limited
20	Wipro Limited	45	ICICI Prudential Life Insurance Co. Ltd.
21	HCL Technologies Limited	46	Hindustan Petroleum Corporation Limited
22	Hindustan Zinc Limited	47	Motherson Sumi Systems Limited
23	Axis Bank Limited	48	Zee Entertainment Enterprises Limited
24	UltraTech Cement Limited	49	Grasim Industries Limited
25	Power Grid Corporation of India Limited	50	Dabur India Limited

Sources: NSE Website (www.nseindia.com)

Does a corporate governance aspect matter for Business Responsibility Reporting readability?

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ABSTRACT

Purpose: Study empirically investigates the impact of corporate governance attributes on companies' reading ease choice to disclose Business Responsibility (BR) Report information since corporate governance ensures transparent, fair, credible and responsible corporate behaviors to its stakeholders.

Design/methodology/approach: Data analysis is based on the top 50 NSE listed companies using readability score of BR Report. Corporate governance aspects are drawn individually by using content analysis of SEBI's suggested guidelines report from annual reports for period of 3 years, from FY 2014-15 to 2016-17. The corporate governance attributes used in the study are board size, board committee, board independence, female on board. BR readability measure and corporate governance variables are measured and extracted from a checklist of items based on SEBI's BRR suggested framework 2012 and for BR report readability, Flesch K reading ease has been calculated from selected companies annual BR reports and websites respectively.

Findings and Suggestion: The extent of BR readability score is positively associated with corporate governance, In terms of the BR report reading ease, employing regression model, the result indicates that board committee and Female on board is the most important corporate governance attributes that engages reading ease in BR disclosure. In addition to this, firm-specific characteristics such as board independence and Female on board are more likely to influence BR reporting disclosures. For better understanding and meaningfulness of BR disclosure, the SEBI's LODR (listing obligation and disclosure requirement) regulation 2015 should mandate all the companies to go through and ensure minimum readability measures of their disclosed BR information as per suggested BR framework issues in their companies' annual report and also more emphasis should be given to strengthen the corporate governance attributes.

Practical implications and Contribution: Empirical evidence on the link between corporate governance and BR report readability of top listed companies is scarce or unavailable. Given the positive impact corporate governance attributes have on the extent of BR disclosure readability (reading ease); their role can be further strengthened in terms of overseeing quality of information disclosed. Stakeholders and regulators will need to develop greater awareness of firm BR disclosure biases associated with ownership and more carefully scrutinize firm's foggy and smoggy BR information's that firms are reporting on. Readability analysis of BR

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reports disclosure has been a strong research theme in the fields of corporate governance and business communication. The other major contributions of the study are: literature review, assessment through content and disclosure index, readability indices while providing much needed evidence in this area from India – one of the largest, rapidly developing economies in the world.

Keywords: BR Report, Readability, BRR, Corporate governance attribute, Content analysis, GRI, SEBI

INTRODUCTION

“Business responsibility is part of the social governance disclosure contract that we must abide by. It shows that we are accountable to society as a whole and are committed to work towards its wellbeing. Although we have made definite progress in our social imperatives, I believe there is a lot more that can be done in this area. We will continue to innovate with all our stakeholders to strengthen our business responsibility paradigm”

This quote came from the BR Report page of an Indian top listed company’s annual report [in Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]. Company’s BR report also has statistics about what the firm is doing to plan for sustainable growth in the future and how they are changing to become more ESG responsive. Additionally, publish statistics detailing various governance issues, environmental and social performance indicators relative to their industry. The SEBI has mandated inclusion of BR Report (“BR report”) as part of the annual report for 500 listed entities based on market capitalization under Regulation 34(2) (f) of SEBI (LODR) regulations 2015. It also provides a suggested format for BR reports containing a list of five sections including nine key principles and various core elements under each principle to assess compliance with ESG norms. Listed companies are required to prepare policies based on these nine key principles and core elements, put in place a framework to integrate and embed the policies into business activities and a mechanism to measure and report the achievements as BR report. The SEBI (LODR) Regulation 2015¹ provides comprehensive BR disclosure framework that companies will be compelled to comply with in order to maintain their status as listed company. Moreover, the ultimate responsibility to make disclosures has been cast upon the board of directors of the listed entity. BR Report is publically released documents detailing the environmental, social, and governance (ESG) performance of a listed company. Companies most likely have other reasons to release BR Report, such as building superior reputations and meeting informational needs of stakeholders, who are classified as anyone who is impacted by the company’s actions. Due to increased pressure from stakeholders to release environmental and social initiatives, firms are not only reporting but also providing the public with an adequate representation of their sustainability initiatives and performance. Common frameworks that firms are using to report on their BR initiatives include the Global Reporting Initiative (GRI) and SEBI’s

¹http://www.sebi.gov.in/legal/regulations/sep-2015/webi-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-march-06-2017-_34610.html

suggested format for BR reports to discharge the accountability of an organization to its stakeholders. BR reporting has been characterized by a dearth of neutral, authenticity, reliability and objective information such that the advocates of BRR recommend that it be made compulsory. Their underlying rationale is that regulatory specified disclosure requirements and enforcement mechanisms will enhance the quality of such reporting. The objective of study sets out to explore how realistic this scenario actually is, in view of the conflicting interpretations in the literature on this subject.

JUSTIFICATION FOR RESEARCH

This study will be expanding on the literature, by including the BR reporting readability variable and analyzing with corporate governance data set. This will further study the mixed finding in the connection between corporate governance and BR Report readability. Testing the hypothesis questions designed to develop evidence to supporting my research objectives. This data set will be collected from Indian top listed companies with 165 observations. The factors that will be considering are independent directors, board size, board meetings, female board members and BR Report reading ease as readability measure. Study will collect all the information from CMIE's Prowess database and readability calculator, using regression analyse to determine if there is any correlation between the different factors and the BR Report reading ease. Study will then use relevant theory to explain findings, and explain why corporate governance aspects are correlated to the BR Report reading ease.

LITERATURE REVIEW

The BR information set available to the stakeholders is expanding and multiplicative. BR reporting and disclosures as per framework is relatively new and has not been full researched in Indian context, however there has been lots of research in annual report and its segment disclosure.

Readability research enquiry has been used to examine if relations exist between levels of readability complexity and basic corporate attributes, such as profitability, size, leverage and industrial classification. In addition, the possibility exists that management uses readability obfuscation as a technique to mask *bad* or enhance *good* news. However, obfuscation does appear to be associated with the reporting of *bad* news, and there is an inference that it is used as a technique of impression management (**Courtis, 1998**).

Jones and Shoemaker (1994) examined the accounting-oriented readability literature broadly, and shortly afterward Courtis (1995) added a Western versus Asian perspective. They provide a review of 32 studies in the fields of accounting, business communication and management on the readability of annual report narratives (26 studies), tax law (3 studies) and accounting textbook (3 studies). Most of these studies attempt to assess the readability of the annual report and its components. However, many investors, creditors and those with special interests in particular corporations are likely to have attained adequate educational levels and also likely possess strength of interest in what they read. Hence, many of those comprising the sub-population of actual readers are likely to understand all but the most technical of narratives.

For instance, regulators like SEC have constantly attempted to formulate top company

prospectuses more readable and easier to comprehend. In several Securities Act Releases after the Securities Act 1933, an advanced level of clarity in the reporting documents was encouraged - highlighting on not compromising adequate and transparent disclosure (**Firtel, 1999**). In 1967, the SEC constituted an internal study group in order to examine and make recommendations for improving its disclosure regime. This study resulted in the “**Wheat Report 1969**” discussed that the average investor could not readily understand the complicated prospectuses; the report therefore recommended that companies avoid unnecessarily complex, lengthy or verbose writing. In October 1998, the SEC issued new plain English disclosure guidelines that encouraged the use of plain English in the drafting and formatting of all prospectuses in registered public offerings by domestic and foreign issuers. **The SEC’s Investor Ed Office** published and posted the following on its website: “*A plain English handbook: how to create clear SEC disclosure documents*” in order to provide practical tips for drafting disclosure documents. When drafting the front and back cover pages, the summary and the risk factors sections, an issuer must comply with the following six basic principles: short sentences; definitive, concrete, everyday language; the use of the active voice; tabular presentation or bullet lists for complex material whenever possible; no legal jargon or highly technical business terms; and no double negatives. More recently, the SEC has taken several steps in making the disclosure of mutual funds more readable (**Glassman, 2005**).

CORPORATE GOVERNANCE

The corporate governance plays an important role in the development of the management structure, improving cash flow and reducing the cost of capital of a company. Corporate governance is defined by **Dalei et al.** (2012, p.196) as the “ way of bringing the interests of investors and managers into line and ensuring that firms are run for the benefit of investors”. This demonstrates how important a company’s approach to corporate governance can be to the stakeholders, or potential investors. The majority of the prior literature on the connection between reporting and readability and corporate governance demonstrates that better corporate governance can be associated with a better reporting and readability. The implementation of a good corporate governance structure can have a positive effect on the firm’s reporting and readability (reading ease). The main empirical research of corporate governance use similar variables to characterize how well the corporate governance is implemented (**Tian and Twite 2011**) suggest the main four are; managerial compensation, shareholders rights, ownership structure and board characteristics.

INDEPENDENT DIRECTORS

The board of directors is considered to be a crucial instrument for supervising the organisations management, so the independency of board members has become a much debated issue. An independent director is a member of a board of directors that do not have any financial association with the company, so they do not own shares in the company (**Eng and Mak, 2003**). The current trend for most listed firms is to have a half of directors as independent, which reflects the conventional wisdom that independent directors can be effective at monitoring management.

BOARD SIZE

here are multiple board characteristics that can be considered, the literature has identified a focus on the board size, board meetings, female directors and independent directors. There has been lots of research into the influence of the board size; as the board size increases the board control management decreases and problems develop in communication and coordination.

BR REPORT READABILITY

Researchers in accounting and finance are increasingly using readability indices to examine the relationship between the readability or reading ease used in corporate disclosures and other variables of interest. These readability results means that the indicator bars give a visual guide for the meaningfulness, understanding and textual statistics of the BR Report of listed companies. The readability tools have been used in order to measure the meaningfulness, understanding has been extracted from 165 BR Report. Many researchers generally agree that ease of understanding is one of the most important characteristics of effective reporting². The reporting clarity of the BRR disclosure is a determinant of the reading ease of its narrative disclosures. Reporting clarity thereby influences the comprehension, accuracy and speed by which content can be interpreted. The potential for missing and mistaking intended messages is greater when the BR report disclosed at a reading ease level that is beyond the fluent comprehension of readers. Readability effectiveness is viewed as the transmission of the desired message to the intended user in an accurate and understandable way. Despite the limitations of the formula approaches they continue to remain quick, simple, understandable, widely used and cost effective in accounting-based readability research, and they provide some information about the degree of difficulty of narrative disclosures. Provided that the results of formula measurement are tempered with caution, scores can be used to predict the likely ability of messages to be understood by a target audience. Study divulged, however, that more robust results would ensue from triangulation through comparative testing methods, such as cued-paraphrase protocols or paired interview testing. Mindful of the limitation of the singular approach of readability formulas, but in the interest of obtaining results that can be benchmarked against future studies undertaken in different periods and in different countries, the present study also follows the formula-based approach to measure reading ease of narratives within BR reports. As BR reports of listed companies for consecutive years, have been compared, different readability tools have been used through widely known readability test tool platform,³ to measure report through most widely used readability indicators and gives a readability score. Readability calculation tools have been used to measure the BR Report readability.

²Accounting Standards Steering Committee (1975), *The Corporate Report*, Accounting Standards Steering Committee, London, p. 28.

³www.read-able.com

<p>In this regard, Once US SEC chairman stated “We will soon looking to the Gunning-Fog and Flesch-Kincaid models to judge the level of compliance in Business Reports⁴ (Christopher Cox, Chairman SEC). Readability calculation tool made use of popular measures of readability⁵”</p>	Measures of Readability
	1. Flesch Kincaid Reading Ease
	2. Flesch Kincaid Grade Level
	3. Gunning Fog Index
	4. SMOG Index
	5. Coleman Liau Index
6. Automated Readability Index	

Table 1: Measures of Readability and Textual Statistics

FLESCH KINCAID READING EASE

The major credible methods of analyzing readability use test readers or readability formulas. Readability formulas provide an easy, objective and reliable alternative. However, there is an abundance of such formulas. The main features of the various formulas were carefully evaluated and the revised Flesch index, Flesch was found most suitable for this study due to its reliability, validity and practicability. In case of the Flesch Kincaid Reading Ease readability measure, a high score means that the text is easier to read. Low scores suggest that the text is more complicated and thus difficult. For more information about these readability measures, see <http://www.plainlanguage.com/Resources/readability.html>.

Link between Business Responsibility Report and Corporate Governance

The governance processes and practices embedded into the culture of the organisation ensure that the interests of all the stakeholders are taken into account in a balanced and transparent manner. Company should believe that good corporate governance emerges from the application of best management practices and compliance with the laws coupled with the highest standards of integrity, transparency, accountability and business ethics. Further, continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the board and at the management levels. A Report on compliance with the corporate governance provisions has been prescribed under the SEBI (LODR) Regulations, 2015 (“Listing Regulations”). Reliable corporate governance includes a vigilant board of directors, sensible disclosure and adequate reporting of meaningful information about the board and management process. This SEBI directive has been applicable to the listed companies from April, 2016 and remaining companies will come under its ambit in a phased manner. BR reporting has come a long way from most prior ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ framed by the Ministry of Corporate Affairs (MCA) for ESG Reporting (MCA. GoI, 2011)⁶ to mandatory BR Report in annual report. This implies

⁴SEC Chairman Christopher Cox, speech at USC Marshall School of Business, March 23, 2007

⁵Yong Gao, Nathalie J.(2009) Advances in Artificial Intelligence: 22nd Conference on Artificial Intelligence, Canadian AI 2009, Kelowna, Canada, May 25-27, Proceedings, Springer, Pg. 42-43

⁶http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines201112jul2011.pdf.

that top 100 National Stock Exchange (NSE) listed companies have considerable experience as early mandatory adopters of BR Reporting rather than on a voluntary basis. On the other hand, India witnessing a change in the ownership structures of companies listed on their stock exchanges as a result of privatizing/disinvestment in government owned enterprises. To have a uniform reporting policy to follow is best in class of governance practices with respect to reporting. All these lends support to carrying out this study in order to investigate the linkage and impact of corporate governance aspects for best practices on the levels of compliance with BR Reporting in scrutinized listed companies.

The world over, there is a move to push businesses into disclosing more than just their financial statements. This global ESG reporting trend found resonance in India in February, 2016 with the market regulator SEBI issuing a circular advising the top 500 companies by market capitalization to release BR reports. A BR report aims to provide a brief communication to stakeholders about how an organization's strategy, governance, SEE performance and prospects create value over time. BR Reporting initiative supported and stated it as a great step in the evolution of socio-economic, environmental and governance reporting practice as it provides a holistic picture of the impact and risks businesses take during their operations. This is a huge change not just in terms of reporting but reflects how companies need to think about responsible growth. While the concept is new, its time has come. With this circular, SEBI has initiated a process for companies to move out of their current reporting formats and integrate reporting with business decisions.

There is also an increasing interest in the corporate governance and how this influences the Business responsible reporting and readability of a company. The corporate governance system controls how a company is directed and controlled, influencing the company's ability to meet its objectives. This is defined by **Shleifer and Vishny (1997)** as a way that investors in the company can have confidence that they will get a return on their investment. There is a larger portion of the prior literature on the relationship between corporate governance and BR reporting performance that documents a significantly positive association between corporate governance (board characteristics) and BR reporting. However the results for the individual characteristics of governance have mixed results. This will further research the mixed finding in the connection between corporate governance and BR reporting. Testing the hypothesis questions designed within this paper to develop evidence to supporting research objectives. The factors that have been considered are independent directors; board size, board meetings, and using regression analyse to determine if there is any correlation between the different factors and the BR reporting reading ease.

Globally, there is a trend towards investment models that incorporate environmental and social dimensions. The BR disclosure score represents the amount of ESG disclosure in BR report that is disclosed by the listed company. BR disclosure is an important variable because it helps a company demonstrate that it is managing its risks and has a track record of monitoring its BR performance. The concept of BR disclosure allows the investor access to additional relevant information about the companies BR

performance, enabling investors to better understand the risks and opportunities (Bassen and Kovacs, 2008). There have been many examples of corporate problems that relate to BR issues, including fraud, corruption, environmental accidents and health and safety failures (Peiris and Evans, 2010). The increasing investor curiosity and the growing interest in companies BR disclosure scores suggests an increasing number of investors using BR transparency as a proxy for the management's efficiency and transparency (Eccles et al., 2011). There is also a strong connection between the evolution responsible investment and the BR and sustainable development of a company (Cadman, 2011).

OBJECTIVE

To examine the relationship between corporate governance aspects linkages with the BR Reporting readability

This study has been designed to test the following hypothesis:

H01: There is no significant relationship between readability scores of BR Reports and the board size, board meetings.

H02: There is no significant relationship between BR readability scores and the number of independent directors.

H03: There is no significant relationship between BR readability scores and the number of women directors.

H04: There is no significant relationship between BR readability scores and the board structure/size.

RESEARCH METHODOLOGY

This research will be using secondary data for a quantitative empirical analysis. The data has been collected from the Prowess, CMIE database; using MS excel to download the data into the model so that it can be entered into the E views software easily because it is the most accurate and convenient way to collect the 275 observations. The data should be reliable as it was collect form a secondary source Prowess, CMIE, this will reduce the chances of getting incorrect results. The data has been usually collected over the study period FY 2014-15 to 2016-17 for the sample companies and then a regression is run over. The reliability of results also tends to improve due to better coverage. Since this study of BR reporting practices by top NSE listed Indian companies. Over these three years (2014-15 to 2016-17), panel data models are used for regression and estimation. The classical regression (ordinary least squares) results have been estimated using SPSS Software Version 20 Hence; No specific test had to be carried out. Correlation matrix for various independent variables has been estimated for aggregate as well as company wise sample.

ANALYSIS AND DISCUSSION

	N	Minimum	Maximum	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
BRR_DiscScore	165	66	76	71.56	.148	1.901	-.051	.189	-.394	.376
BOD_Structure	165	8	23	12.15	.217	2.786	1.188	.189	2.230	.376
BOD_COM	165	4	17	7.64	.234	3.004	.876	.189	.070	.376
BOD_Meet	165	3	20	7.81	.255	3.274	1.256	.189	1.621	.376
BOD_IND	165	0	11	5.78	.131	1.683	-.130	.189	.623	.376
FE_BOD	165	0	8	1.40	.075	.968	2.677	.189	12.946	.376
Flesch										
Reading_Ease	165	14.60	67.20	34.1473	.64431	8.27635	1.401	.189	5.877	.376
Fog_Index	165	4.70	17.90	13.2418	.16428	2.11023	-1.015	.189	3.806	.376
SMOG_Index	165	6.00	15.40	11.5455	.12286	1.57818	-.545	.189	1.886	.376
Valid N (listwise)	165									

Table 3: Descriptive Statistics

The descriptive statistics included in the output are the number of subjects (**N**), the **Range**, **Minimum** (lowest) and **Maximum** (highest) scores, the **Mean** (or average) for each variable, the **Std.** (the standard deviation), the **Variance**, the **Skewness** statistic, and the **Std. error** of the skewness. Note, from the bottom line of the outputs, that the **Valid N (listwise)** is 165. There are several ways to check this assumption in addition to checking the skewness value. The distribution is approximately normally distributed, as the mean, median, and mode, which can be obtained with the frequencies command, are approximately equal.

The average size of BR report disclosure score is 71.5 for study period. Variable view indicating minimum and maximum BRR disclosure scores among sample companies are 66 and 76 which show that most of the listed companies have started disclosing as per the SEBI's mandatory BRR guidelines. The average score of Flesch Kincaid Reading Ease is 34.14 whereas minimum and maximum values range among 14.60 to 67.20 for the BR Report during the study period. It is important to check new computed variables for errors, confirmed minimum and maximum scores for each variable to see if they lie within the acceptable range of values. The above table presents the descriptive statistics of selected BR Reporting and Readability variables for the period. The mean values BRR_Disclosure Score and readability measures' indicating the average size and standard deviation has been used to analyses variations in the variables taken in this study.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.301 ^a	.091	.062	8.01533	2.034

Table 4: Model Summary^b

a. Predictors: (Constant), FE_BOD, BOD_Meet, BOD_IND, BOD_Structure, BOD_COM
 b. Dependent Variable: Flesch_K_Reading_Ease

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1018.633	5	203.727	3.171	.009 ^b
	Residual	10215.038	159	64.246		
	Total	11233.671	164			

Table 5: ANOVA^a

Table 5: ANOVAa

a. Dependent Variable: Flesch_K_Reading_Ease
 b. Predictors: (Constant), FE_BOD, BOD_Meet, BOD_IND, BOD_Structure, BOD_COM

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	95.0% confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	34.007	3.759		9.047	.000	26.583	41.431		
BOD_Structure	-.505	.260	-.170	-1.941	.054	-1.018	.009	.746	1.341
BOD_COM	.342	.258	.124	1.327	.186	-.167	.851	.653	1.531
BOD_Meet	.377	.256	.149	1.472	.143	-.129	.884	.556	1.798
BOD_IND	-.209	.426	-.042	-.490	.625	-1.050	.633	.761	1.313
FE_BOD	1.370	.659	.160	2.080	.039	.069	2.671	.964	1.037

Table 6: Coefficientsa

a. Dependent Variable: Flesch_K_Reading_Ease

Interpretation: The model summary output table shows that the multiple correlation coefficient (R), using all the predictors simultaneously, is .301 and the Adjusted R² is .091, meaning that 9% of the variance in BR Report Reading Ease (Flesch_K_Reading_Ease) can be predicted from the combination of corporate governance aspects. Note that the adjusted R² is lower than the unadjusted R² which is, in part, related to the number of variables in the equation. As one can see from the coefficients table, only corporate governance aspects (Female Board members) are significant, but the other variables add a little to the prediction of BR Report Reading Ease. Study shows the regression results for the association between all BR readability and disclosure indices with BR reading ease. This model shows regressions of readability indices (Flesch_K_Reading_Ease) on corporate governance aspects and test whether FE_BOD, BOD_Meet, BOD_IND, BOD_Structure, BOD_COM are significantly associated with BR Report reading ease in Model. The significance value of .009 in ANOVA table indicates that the combination of these variables significantly predicts the BRR_Reading ease.

FINDINGS

The results in models support hypothesis that reading ease is positively associated with corporate governance aspects among companies during the study period. Overall, the study shed light on some interesting trends.

1. Similar to prior research the readability measures over the sample period is not modest; there is variation within study period. There is significant variation in the reading ease among listed companies, despite similarities in the underlying governance aspects among sample companies. According to study, discernible reading ease patterns are shown to be present.

2. The adjusted **R²** is lower than the unadjusted **R²** which is, in part, related to the number of variables in the equation. As one can see from the coefficients table, only female board members are significant, but the other variables add a little to the prediction of BR Report Reading Ease. **R²** of .091 means that 9% of the variation.

3. Regression results show that BR Report reading ease is significantly associated with Board meeting, Independent directors, board structures, board committees, female board members in Models. However, all of the variables need to be included to obtain this result, because the overall F value was computed with all the variables in the equation. These results suggest that companies with worse reading ease are more likely to have less-vigorous corporate governance aspects. The results in models support hypothesis that poor reading ease is associated with low corporate governance aspects by top listed companies.

CONCLUSION AND SUGGESTIONS

Due to the confluence of regulatory changes and resultant push by the government, along with an increasing recognition on part of businesses that disclose BR actions, performance and is no longer a *good to have* – Now, BR reporting has been on a compulsorily increase in India. Basically, BR Reporting framework provides an impartial and realistic representation touching all business functions of a company – Finance, human resources, production process, sourcing, operations, legal etc. including both negative and positive contributions. Specifically BRR indicators includes general corporate information, organizational profile, financial information, BR policy, management approach, performance indicators, ethics/transparency and accountability, labour practices & decent work, human right issues, product responsibility, fair operating practices, regulatory issues, CSR/sustainability issues, environment, social and stakeholder's issues, and community involvement and development legal etc., putting together such a compiled report helps companies define what BR Reporting means for their organization and that each items has a role to play. Sample companies with more autonomous corporate governance policies have much higher BR report reading ease than companies with weaker governance policies. In sum, study indicate that the higher BR report reading ease has produced a measurable impact on the behavior of investors and board of directors and their decisions making. As a caution, a less-reading ease signify obfuscation. Study observes that obfuscation and foggy disclosure or intentional manipulation in BR reporting, occurs by using more complex syntax,

discussing government initiatives, repetitive data and technical jargons, which is difficult to read and understand, to amaze stakeholders and hide poor BR performance.

A number of researchers opined that longitudinal studies allow a deeper study of the reading ease variables than cross-section research and have suggested that more emphasis should be given on understanding accounting in the context in which it operates. The benefit of this study is its possible insights into the nature of readability, and into the governance factors that significantly influence it. At the same time this study suggests that the readability of the BR report has improved marginally. In order to avoid a serious communication breakdown between the providers and users of BR information, standardisation must be accompanied by more understandable, readable accounts. If this does not happen, and BR reports remain largely unreadable, they will remain largely unread. From study it cannot be discerned whether average investors are better off because they invest more with more transparent disclosures. Improved readability approach does not cause listed firms to have enhanced corporate governance, but is an interesting artifact of shareholder-centric companies. A concluding subject is whether investors and firms who improved their BR reading ease style are better off, traditional readability measures overrate the impact of familiar reading ease on a reader's ability to comprehend disclosures.

LIMITATIONS OF THE STUDY

However the study is subject to following limitations:

1. The area of the study is limited to top 50 NSE listed Indian companies. Hence the sample may have the limitations hence the data may represent only to the selected companies. The study conducted during the FY 2014-15 to 2016-17, during study period SEBI guidelines on BR Report subsequently mandate being expanded from 100 listed companies to the top 500 listed companies, the study may have impact of this.
2. Though the disclosed data in BR Report is maintained in standard format on annual basis, the limitations of data are bound to creep in due to the accounting practices or policies employed and adopted by various companies in the calculation of profit and valuation differ within same industry.
3. Study explores the key aspects of BR Report, also in context to corporate governance practices by listed Indian companies with readability aspects related to BRR but besides this there are also other aspects which are essential for the effective compliance and understanding of BR Reports. There are no reliable standard metrics for measuring the BR Report.
4. Readability formulas do not solve problems. At most, they alert the writer to a potential impediment in communication that might impact on investor behavior. Readability research using formulas is only one methodological approach; disclosures and discourse analysis and other linguistic or textual approaches may be more suitable.

SCOPE FOR FURTHER STUDY

1. The study is concentrated on top NSE listed companies only. An extensive study can be conducted with increased sample listed companies as per BRR compliance.
2. This study has only concentrated on BR Report, regulated as per listing agreement. But other forms could be also considered for the further study to present more precise result regarding the implications of corporate governance on the BR reporting.
3. Comparative study on BR Reporting practice among different sectors also can be done with reference to their BR disclosure pattern. Such study will be helpful to recognize sector specific common BR disclosure items which would get wide acceptance and utility. Additionally it would assist it tracing out uncommon items in BR Report.
4. We urge other researchers to undertake such investigation, using readability formulas, viable research opportunities would include a longitudinal study of one country's listed companies annual report readability. This would determine the relative levels of reading ease and whether they have improved or deteriorated over time.

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