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## National Conference



# 'A L I V E'

Adaptable Learning and Innovation for Visionary Execution



4<sup>th</sup> & 5<sup>th</sup> May 2012

Rayat Shikshan Sanstha's  
**Karmaveer Bhaurao Patil**  
**Institute of Management Studies and Research, Satara**  
In Association with AMMI  
(Association of Management of MBA/MMS Institute)

## ABOUT SANSTHA



Rayat Shikshan Sanstha is one of the leading educational institutions in Asia. The value of its contribution to education in general is enormously great as it has, from the very beginning, tried all its best to lay emphasis on the education of the downtrodden, the poor and the ignorant who really form the major bulk of society. The founder of the institution, late Padmabhushan Dr. Karmaveer Bhaurao Patil, was a man of the masses, who devoted all his mind and heart to the cause of their education. He had an incisive understanding of the

social ills that beset his times and fully realized the dire need of the spread of education. He believed that education alone could correct the social ills such as caste hierarchy, money lending, illiteracy, superstitions and social and economic inequality; and could be the powerful means of social transformation. All his life, he tried to translate this belief into reality. Rayat Shikshan Sanstha, stands for, strives for and has accomplished to a great extent what the founder father had in his mind. Rayat Shikshan Sanstha made astounding progress in the field of education reflecting fully the ideals cherished by the founder. The word 'RAYAT' chosen by Karmaveer Padmabhushan Dr. Karmaveer Bhaurao Patil to name his Sanstha, was significant indeed. 'Rayat' means masses and the educational institution named after it was to focus its attention on the welfare and happiness of the masses. Education then, was but privilege of the select few. Betterment of the underprivileged achieved through the Sanstha is the outcome of Padmabhushan Dr. Karmaveer Bhaurao Patil's perfect vision and foresight! The astounding work for the poor and deprived, performed by Sanstha with the missionary zeal, has been honored with many titles and awards by both the State and the Central Government, viz., "Dalit Mitra Puraskar", "Dr. Babasaheb Ambedkar Award", "Shahu Puraskar" etc.

## ABOUT KBPIMSR



Karmaveer Bhaurao Patil Institute of Management Studies and Research, Satara (KBPIMSR) has perceived growing needs of ever changing business environment and the corporate world. The MBA course is being run from 1981. This is only recognized management institute in Satara District, which conducts management programs such as M.Phil. and MBA. Shivaji University, Kolhapur has recognized this institute as a Research Center in Commerce and Management from the academic year 2007-2008. The Institute

has modern amenities and facilities keeping in tune with changing scenario. The present strength of the Institute hovering around 600 students. Academic excellence has been a prominent feature of these courses. The institute has on its staff highly qualified and experienced faculty and offer excellent facilities for teaching like updated computer laboratory with internet access to keep abreast with current knowledge and trends in the field.

**Founder**  
**Rayat Shikshan Sanstha**



**Padmabhushan Dr. Karmaveer Bhaurao Patil**

National Conference

# 'ALIVE'

*Adaptable Learning and Innovation for Visionary Execution*

*Edited by*

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D.O. No. 1187/AM  
कृषि एवं खाद्य प्रसंस्करण उद्योग मंत्री  
भारत सरकार  
MINISTER OF AGRICULTURE &  
FOOD PROCESSING INDUSTRIES  
GOVERNMENT OF INDIA

18<sup>th</sup> April, 2012

## Message

I am happy to know that the Karmaveer Bhaurao Patil Institute of Management Studies and Research, Satara is organizing **National Conference "ALIVE" — Adaptable Learning and Innovation for Visionary Execution** during 4<sup>th</sup>-5<sup>th</sup> May, 2012 for Academicians, Corporates, Thinkers, Research Scholars and Students. The outcome of the Conference will enable them to know about the innovative practices as well as some valuable changes in management sector.

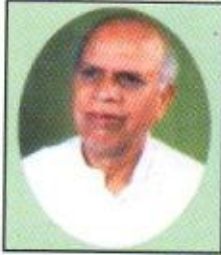
In this era of globalization, competition in every sector is intensified and everyone is making their efforts to consolidate its base. Change and innovation is the vehicle that drives the organization towards desirable destination. Due to the competition in the world's market, everyone is looking for change and for innovation, but only change is not important; it is necessary to adopt it. The themes of all areas of management are related with innovation and its execution. It contributes to aware management people about innovative practices and its execution to compete in competitive global scenario.

I wish the National Conference a grand success.

(Sharad Pawar)

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## Message from the Chairman



Human potentiality knows no bound; it achieves incredible miracles in every walk of life. Sound human capital and its quality is the vital ingredients for the development of an organization and the country at large lot depends on how this capital is used to the fullest extent in the process of overall development, which calls for effective and efficient utilization of human resources in every field at both micro and macro level. The immense capacity of common people should not be ignored. The focus of Rayat Shikshan Sanstha is to develop the capacities of common people.

The KBPIMSR Satara is organizing a National Conference on the theme of Adaptable Learning and Innovation for Visionary Execution on 4th and 5th May, 2012. The Conference will bring together business executives, academicians, researchers, industry organizational leaders, management consultants, IT experts and technology solution innovators with a view to addressing the modern challenging management field. The program will consist of thoughtful leadership, industry research, best-of-breed practices and technology solutions that can be deployed to ensure the profitable growth of enterprises.

I am happy that the staff of KBPIMSR have taken great pails for organizing this important event and I am sure that the deliberations in the conference would be fruitful and open new avenues of knowledge in this field. My best wishes for the success of the conference.

**Adv. Raosaheb Shinde**

Chairman  
Rayat Shikshan Sanstha  
Satara.

## Message from President of AMMI



The "Association of Management of MBA/MMS Institutes" (AMMI), is a registered body in Maharashtra, contributing significantly to the field of management and revolutionizing the study of management at the postgraduate level to great extent. This body is registered under No. MAH/695/2005 in Pune since 26th May, 2005 having 326 institutes as member.

The main purpose of the Association has always been to contribute to the different areas of management and to develop the study of management at the postgraduate level.

Indeed achieving the above-mentioned motto is not an easy task. Knowing this the association has meticulously formulated a set of objectives, which encompass all aspects related to MBA/MMS program, starting from needs, analysis and admission procedures to quality teaching and meticulous evaluation. This body consists of different roles like setting up a forum for influencing national policy making on MBA/MMS programs, conducting CET for MBA/MMS, forming University level Chapters, organizing International/National seminars, conference, symposia, HR meets and workshops etc. Association has been trying to improve the efficiency of the member institutes through faculty exchange program to put all over efforts to bring out real educated personalities from the member institutions. Besides this AMMI provides education to teachers, publishes scholarly books on management, honors professional from different areas, collects, compiles and fills useful and advanced information in the subject and makes it available to member institutes, it develops a healthy competition for students, suggests modifications in the syllabus according to changing industrial needs, organizes student visits to industrial establishments, encourages under privileged to take education and many more to go on.

It is a great honor for AMMI now to co-sponsor the national conference "ALIVE" – "Adaptable Learning and Innovation for Visionary Execution", with Karmaveer Bhaurao Patil Institute of Management Studies and Research on 4<sup>th</sup> and 5<sup>th</sup> of May 2012 at Institute Campus, Satara.

We believe this Conference will bring together business executives, academicians, researchers, industry organizational leaders, government and non-government representatives, management consultants, service providers, IT experts, technology solution innovators to address the challenges unleashed on the competitiveness of the Indian industry by deregulation and globalization. The program will consist of thoughtful leadership, industry research, best-of-breed case studies, best practices and technology solutions that the leading executives of the industry and academia can utilize to enhance the profitability and growth of their enterprises.

I welcome the efforts taken by KBPIMSR, Dr. B.S. Sawant and Dr. S.S. Bhola and his team in organizing National Conference "ALIVE" and I wish them all the best for future endeavors.

**Dr. E.B. Khedkar**

Executive President,  
Association of Management of  
MBA/MMS Institutes (AMMI),  
Pune, Maharashtra



## Message from the Director



Karmaveer Bhaurao Patil Institute of Management Studies and Research (KBPIMSR), Satara, was established in 2006 under the roof of Rayat Shikshan Sanstha, Satara. It has grown up as a fully developed B-school.

This year we are proud to organize a National Conference on the theme of *Adaptable Learning and Innovation for Visionary Execution* (ALIVE) organized for Academicians, Corporates, Thinkers, Research Scholars and Students. We wish to provide a common platform for deliberations on the topic in question. The conference is expected to send a message of high quality to different organizations in the field of education and corporate sector.

I am happy to state here that the entire staff of my institute has worked hard to make this conference a grand success. I personally congratulate them and express my view that the "Alive" will be one more feather in our cap.

**Dr. B.S. Sawant**

Director  
Karmaveer Bhaurao Patil Institute of  
Management Studies and Research,  
Varye, Satara

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## A Comparative Study of Customer Relationship Management Practices in Selected Banks at Karad City

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**Abstract:** Banking is emerging as the sunshine industry within the service sector in India with all the players in the game vying for a piece of the Indian cake. It is imperative that to have a competitive edge in the market, strategic initiatives are a must. Therefore, Customer Relationship Management (CRM) as a strategy will provide the cutting to the banking business of almost all formats. The CRM initiative in banking needs to think beyond just acquiring and retaining the customer. It should convert the satisfied customer to a happy customer and develop a bond to have a lifetime customer. This research paper explores the ways how a CRM initiative can achieve 'customer loyalty' and create a sense of belonging to the banks, among the customer. As a solution a CRM initiative or programme is suggested. This is based on creation of a database of best or loyal customers, rewarding them and interacting with them through direct media. Thus making the loyal customer the brand ambassadors and achieving mutual value.

**Keywords:** Customer Relationship management, Strategic Initiative, Lifetime Customer, Sense of belonging, Mutual Value

### INTRODUCTION

The field of CRM is becoming popular with both the practitioners and scholars alike. With more and more companies adopting customer-centric strategies, programs, tools, and technology for efficient and effective customer relationship management, the need for. They are realizing the need for in-depth and integrated customer knowledge in order to build close cooperative and partnering relationships with their customers. The emergence of new channels and technologies is significantly altering how companies interface with their customers, a development bringing about a greater degree of integration between marketing, sales, and customer service functions in organizations. For practitioners, CRM represents an enterprise approach to developing full-knowledge about customer behavior and preferences and to developing programmes and strategies that encourage customers to continually enhance their business relationship with the company.

### Statement of the Problem

In a market driven economy, the consumer has occupied the central position. A large number of activities are directed towards attracting the customers. All banks are paying special attention towards customer relationship and have changed their mode of operation of dealing with their customers. CRM

gained recognition in the mid-1990's, primarily driven by its perception as Information Technology (IT). However not enough attention has been given to the fundamental drivers of CRM success: Strategy, metrics and the organization. Hence this research paper entitled "A Comparative Study of Customer Relationship Management Practices in Selected Banks At Karad City", which strives to explain how CRM works and how CRM practices of banks are customer centric.

### Research Methodology

The researcher intends to describe the area of research and try to find out the differences and similarities with the reviewed theories. Present research is undertaken with an objective to identify and compare the CRM practices of selected bank and to suggest the best CRM practice according to research. The hypotheses set to test for this study are, Customers Relationship Management practices of banks are customer centric and CRM practices provided by the banks are helpful to the customers.

The survey method was adopted in order to elicit relevant information pertaining to the CRM practices implemented in the Banking sector at the Karad City.

Two sets of structured direct questionnaires one for the managers of the selected organization and the other for the customers of these organizations were prepared in consultation with experts in the field, later they were suitably amended after pre-testing through a pilot survey. The questionnaires were administered to the concerned managers and the customers of the selected banks. In some cases the questionnaires were self administered by the respondents. The types of questions in the questionnaires included: Open-ended questions, Dichotomous questions, and multiple choice questions. All the questions were applicable to the banks and its customers

Certain information required to fulfill a few objectives could not be elicited with the questionnaires alone. Further the questionnaire included several open-ended questions. Hence responses to such questions required further investigation and clarifications. Therefore, in such cases, in-depth interviews and informal discussions were taken up by the researcher.

The sources for secondary data comprised of existing published and unpublished literature, which was used for laying the conceptual foundation, review of literature relevant to the study and statistical data with respect to the study.

This study pertains to the study of CRM practices in the Banking sector i.e. Private bank and Government bank. The geographical scope of the study was the Karad City of Satara District in Maharashtra State. Using Judgment sampling method, two banks from Karad city were selected for the study as shown in table 1 and using Random sampling method 50 customers from each selected bank from the Karad city totaling to 100 as shown in table 2 were selected.

Table 1: Selection of Sample for Survey of Branch Managers

Sr.	Category	Total No. of Banks in Karad City	Sample Size of banks
1	Private Banks	10	1
2	Government Banks	11	1
	Total	21	02

Table 2: Selection of Sample for Survey of Customers

Sr.	Category	Total No. of Customers in Karad City	Sample Size of Customers
1	Private Banks	1249	50
2	Government Banks	2141	50
	Total	3390	100

**CRM strategy in SBI:** SBI looks at CRM as marketing, sales and support system supported by considering CRM as integrating the activities of marketing, sales and service to achieve a common goal. SBI applies CRM from customer to customer base by offering the right service to the right customer at the right time. SBI looks right service that fits the customer's needs and right time when customer needs that service.

**CRM strategy in ICICI bank:** ICICI bank defines CRM as personal interaction with its customers. 'A business strategy, supported by a system and a technology, designed to improve human interactions' ICICI bank looks towards its customers by segmenting into sizes, small, middle and big. According to ICICI bank Small and big organizations are served by providing them standard products, but big organizations are the one who need extra attention therefore the researcher have to create distinguished products for them.

### Comparative Data Analysis and Interpretation for Banks

Table 3: CRM Applications Usage in Banks

Sr.	CRM applications Usage	SBI	ICICI	%
1	Call centre Automation	01	01	100 %
2	Campaign Management	01	01	100 %
3	Contact Management	01	01	100 %
4	Data Warehousing	01	01	100 %
5	Email Management	00	01	50 %
6	Field Service Automation	00	01	50 %
7	Knowledge Mgt	01	01	100 %
8	Marketing Automation	01	01	100 %
9	Personalization	01	01	100 %
10	Sales Force Automation	01	01	100 %

From Table 3, it was observed that 100% of the respondents use CRM Applications like Call centre Automation, Campaign Management, Contact Management, Data Warehousing, Knowledge Management, Marketing Automation; Personalization and Sales force Automation in the banks. It was also observed that 50% respondents use CRM Applications like E-mail Management and Field Service Automation in the banks.

Table 4: Latest Technology is Truly Customer-Oriented

Sr.	Response	No. of Banks	Percentage
1	Strongly Agree	02	100 %
2	Agree	00	00
3	Cannot Say	00	00
4	Disagree	00	00

From Table 4, it was observed that 100 % of the respondents strongly agree that the latest technology is truly customer centric in Banks.

### Testing of Hypothesis

**Hypothesis 1:** Customer Relationship Management (CRM) practices of banks are customers centric.

Let,  $H_0$  be the null hypothesis that the Customer Relationship Management (CRM) practices of banks are not customers centric.

Therefore  $H_1$  be the alternative hypothesis that Customer Relationship Management (CRM) practices of banks are not customers centric.

According to the questionnaire the researcher received the following the data:

Table 5: Testing of Hypothesis 1

Name of the Bank	Customer Centric	Not Customer Centric	Total
SBI	29	21	50
ICICI	43	07	50
Total	72	28	100

Table 6: Calculation of Chi Square Value for Hypothesis 1 By Applying Chi Square Test.

Observed Frequency (O)	Expected Frequency (E)	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
29	36	-7	49	1.3611
21	14	7	49	3.5
43	36	7	49	1.3611
07	14	-7	49	3.5
$\Sigma(O-E)^2/E =$				9.7222

From above table 6, the calculated value of chi square is 9.7222.

$$\begin{aligned} \text{Degree of Freedom} &= (C-1)(R-1) \quad (\text{where } C = \text{No. of Columns and } R \\ &= \text{No. of Rows}) &= (2-1)(2-1) = 1 \end{aligned}$$

Thus, table value of chi square at 1 degree of freedom and 5 % significance level is = 3.84. Therefore it is clear that calculated value of chi-square > table value of chi-square.

Therefore the null hypothesis  $H_0$  can be rejected. It means that alternative hypothesis  $H_1$  can be accepted. Hence it can be concluded that, CRM practices of banks are customers centric.

**Hypothesis 2:** Customer Relationship Management (CRM) practices provided by banks are helpful to the customers.

Let,  $H_0$  be the null hypothesis that the Customer Relationship Management (CRM) practices provided by banks are not helpful to the customers.

Therefore  $H_1$  be the alternative hypothesis that Customer Relationship Management (CRM) practices provided by banks are helpful to the customers.

According to the questionnaire the researcher received the following the data:

Table 7: Testing of Hypothesis 2

Name of the Bank	Customer Centric	Not Customer Centric	Total
SBI	27	23	50
ICICI	35	15	50
Total	62	38	100

By applying Chi square test, From above table 8, the calculated value of chi square is = 82.9371

Table 8: Calculation of Chi Square Value for Hypothesis 2

Observed Frequency (O)	Expected Frequency (E)	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
35	31	4	16	0.5161
15	19	-4	16	0.8421
62	31	31	961	31
38	19	19	361	50.57
$\Sigma(O-E)^2/E =$				82.9371

Degree of Freedom = (C-1) (R-1) (where C= No. of Columns and R =  
No. of Rows) = (2-1) (2-1) = 1

Thus, table value of chi square at 1 degree of freedom and 5 % significance level is = 3.84. Therefore it is clear that calculated value of chi-square > table value of chi-square. Therefore the null hypothesis  $H_0$  can be rejected. It means that alternative hypothesis  $H_1$  can be accepted. Hence it can be concluded that, Customer Relationship Management (CRM) practices provided by banks are helpful to the customers.

Table 9: Comparison of Customer Needs Sensing for ICICI and SBI Bank

Sr.	Statements	1	2	3	4	5	1	2	3	4	5
		ICICI					SBI				
1	We Organize Customer Meets Regularly to Identify the Products or Services that the Customers Need.				*			\$			
2	We Conduct Market Surveys Periodically to Find out the Changing Trends, Consumer Behavior and Motivational Factors.					*				\$	



3	Our Marketing Programmes Differ as Per the Needs of our Customer.				*					\$	
4	In Our Industry Customer Preferences Keep Changing Very Often					*					\$
5	Selection and Implementation of Technology is Strictly Based on Customer Needs and benefits the Customer.					*				\$	
6	In Our Organization Products and Services are Tailored According to our Customer's Needs					*					\$
7	Generally it is Difficult to Anticipate or Predict Customer Behavior					*					\$
8	We are able to Differentiate our Different Customers on the Basis of their Loyalty (Number of Years with us/age on Network/Vintage Customer).					*				\$	
	Total	0	0	0	8	30	0	2		16	15
	Grand Total	38					33				

By comparing the values of banks in above table9 it can be concluded that ICICI Bank is more sensitive for their customers needs and wants than SBI Bank.

Table 10: Comparison of CRM Organization for ICICI and SBI Bank

Sr.	Particulars	1	2	3	4	5	1	2	3	4	5
		ICICI					SBI				
1.	Each Functional Department in the Business Unit Interacts with the other to Discuss Customer Needs and Wants.				*						\$
2.	We have an Effective Complaint Management System.					*					\$
3.	We have Implemented a very Sound System for Collection of Customer Information.				*					\$	
4.	We Share the CRM Ideas And Resources with other Functional Departments.				*					\$	
5.	We have a Formal Communication System of Informing the Entire Organization about Important Information Regarding the Customers.				*						\$
6.	All the Employees of the Relevant Department Have up-to-date Information about Changing Needs/Wants of the Customer.				*					\$	

7.	We have a Formal Communication Method Between the Marketing/Sales and the Product/Service Development Departments Due to which we are able to Satisfy Customer Needs Effectively.					*					\$	
	Total	0	0	0	20	10	0	0	9	16	0	
	Grand Total	30					25					

By comparing values from Table 10, it can be concluded that CRM Model is best organized by ICICI Bank than SBI Bank.

Table 11: Comparison of Communication Methods of ICICI and SBI Bank

Sr.	Particulars	1	2	3	4	5	1	2	3	4	5	
		ICICI					SBI					
1.	We Train our Staff/Sales Persons/Franchisees in such a Manner that they Provide the Customers with a Convenient and Delightful Solution.					*						\$
2.	Our Staff/Sales Persons/Franchisees are Empowered to Deliver Superior Service to the Customer.					*						\$
3.	We Evaluate the Performance of our Staff/Sales Persons/Franchisees.					*					\$	
4.	We Train and Encourage our Sales Staff to keep Track of the Customer's Likes and Dislikes so as to Provide them with Better Service Next Time.				*							\$
5.	We have a Grievance Management System for our Franchisees/Advisors/ Sales Staff/Retailers.					*						\$
	Total	0	0	0	4	20	0	0	0	4	20	
	Grand Total	24					24					

By comparing values in Table 11, it can be concluded that ICICI Bank and SBI Bank both have good and efficient communication methods adopted, which are also successful in associating customer.

Table 12: Comparison of Intermediaries of ICICI and SBI Bank

S r.	Particulars	1	2	3	4	5	1	2	3	4	5
		ICICI					SBI				
1.	We have Devised a Mechanism to gauge the Needs and Service Patterns of our Franchisees/Advisors/Sales Staff/Retailers.				*					\$	
2.	We have Informal Meets/Get-together in our Organization, which make us Feel Part of a Large Family.				*			\$			

3.	We have an Informal Environment in our Organization Relating to Dress Code, Seating Arrangements etc.					*		\$			
4.	We Conduct a Formal SWOT Analysis for our Company at Regular Intervals in Order to plan Better Strategies					*				\$	
5.	Business Functions Within the Organization are Integrated to Serve the Needs of CRM.					*				\$	
	Total	0	0	0	8	15	0	2	3	12	0
	Grand Total	23					17				

By comparing values of Table 12, it can be concluded that ICICI Bank has more intermediates as compared to SBI Bank.

## OBSERVATIONS AND FINDINGS

- It was found that these two banks have their different definitions of CRM; however, the definitions used by the banks selected for the study are supported by theory. While on the basis of data analysis it is found that CRM is a very broad term and it encompasses a lot of different dimensions and these two banks are following two ways, but their destination is same- keeping long term customer relationship. It is also interesting that banks have different views about CRM benefits, but they all believe that long term customer relationship will create value for them.
- Both the banks are following the steps below for adopting CRM practices:
  - Knowledge discovery
  - Customer interaction
  - Market planning
  - Analysis and refinement
- Both the banks are well aware about how relationship evolves:
  - Awareness
  - Exploration
  - Expansion
  - Commitment
  - Dissolution
- It was found that both banks are applying customer oriented relationship management and struggling for long term relationships.
- In few cases ICICI bank is dealing with some 'economically-invaluable customers'. But we are convinced with bank's arguments that long term relationship will turn them into profitable.

6. It was found that both the banks have applied the CRM process which is a condition for handling customers as individuals not as part of segment. Banks are clearly implementing Customer Centric approach. Hence the first hypothesis of this research: "Customer Relationship Management (CRM) practices are more Customers Centric." may be accepted.
7. It was found that these two banks selected for the study have responded positively and without any doubt that the CRM programme implemented at the respective banks will satisfy the maximum needs of the customers of the banks in the different ways. Hence the second hypothesis of the study; "CRM practices providing by the banks are helpful to the customers." may be accepted.
8. The study found that organization in these two banks is aligning with communication process. People are working effectively to share a process and activate their skills to complete the activities and tasks required for success. It was also found that the same person may have the responsibility for all the communication process in a bank, including recognize the right customer, relate the right offer, schedule the offer at the right time, and interact with customers across the right channel.

## **CONCLUSION**

1. Banks must realize the term CRM in its broader term. No doubt personal interaction, marketing and sales are the right view of CRM but CRM includes a lot more than that. In its vital sense CRM includes personal interaction, marketing and sales, IT, customer knowledge, people, process and technology. There can also be some other dimensions of CRM. Banks not only just concentrate on one segment of CRM, but by using a mix of different elements they can get a real customer oriented services, with a long term relationships.
2. Customer needs and requirements are very much volatile, it is recommended to keep one foot ahead of the customer. Banks must know what is going to happen in future so that they can prepare offers according to the changing environment. Customers also want to stay where they can find innovative ideas. In changing environment, it is good to look forward by anticipating future.
3. Customer is only loyal when the bank has the thorough understanding of the Customer's requirements, if banks don't have enough information about customer, it is impossible to understand customer's business problems. It is recommended to keep on tracing the customer and get through knowledge about customer's problems.
4. CRM is not just a technology or some sort of equipment to buy and implement it, it's a total philosophy. To implement the sole of CRM it is recommended to make changes in each and every department and from top to bottom management. The whole organization organized according to CRM requirements.
5. Every one working in the organization must have a very clear goal in mind; the whole organization must be working as a single unit. It is not affordable that the higher management is looking CRM as marketing and sales and middle management looking towards personal interactions and so on. At every level CRM definition must be very clear, here definition does not mean by few written words, but it's sole. Why we are sitting in the market? Who are our customers? Why to make contact with them? How to make contact? How to make it long? How to make customer satisfied? How these satisfied customers make to come again and again? These and other questions must be very clear in every one working in the bank.

6. Complain Management is the best CRM practice in SBI bank.
7. E Mail management is the best CRM practice in ICICI bank.

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## Strategic HR – Weapon of the Engineering Firm

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**Abstract:** Strategic HR (Human Resources) addresses broad organizational issues relating to strategic planning, strategy formulation, strategy implementation, organizational effectiveness and performance, changes in structure and culture, matching resources to future requirements the develop distinctive capabilities, knowledge management and management of change.

Strategy is based upon, an understanding of the strengths and weaknesses of an organization, and an awareness of the political, social, and cultural factors that shape strategy implementation.

Overall it will consider any major people issues that affect and unaffected by the strategic plan of the organization. This paper highlights the HR (Human Resource) strategies of the organization, awareness of the employees and managers regarding the policies, satisfaction level about the strategy formulation and implementation, awareness regarding the new trends in strategy in 21st century. The study will helpful to identify the barriers in strategy implementation and causes, awareness of strategy. There is positive significance and positive impact of this research. The data collected with the help of schedules and analyzed with appropriate statistical tools.

**Keywords:** Strategic HR (Human Resources), Organizational Effectiveness, Structure and Culture, Knowledge Management, Management of Change.

### INTRODUCTION

Strategic HR means accepting the HR function as a strategic partner in the formulation of the company's strategies as well as in the implementation of those strategies through HR activities such as recruiting, selecting, training and rewarding personnel. Whereas strategic HR recognizes HR's partnership role in the strategizing process, the term HR Strategies refers to specific HR courses of action the company plans to pursue to achieve it's aims.

Development of strategy is a significant step from the point of optimum utilization of human resources for achieving business goals.

Strategic use of human resources depends upon the top management and therefore, it stands to reason that unless the top management takes a decision in this regard, one cannot see a strategic plan of HR. Therefore, once a carefully defined strategy exists at the top for HR, the tone is set for harmonizing HR planning with corporate strategic planning.

## **Management Problem**

An organization is facing the problem during the strategy formulation and implementation. There is low awareness amongst employee about the Policies of HRM like training and development, performance appraisal, recruitment and various types of policies in strategy formulation and implementation. There are barriers in strategy formulation and implementation, The study of strategic HR will helpful to overcome these problems.

## **Literature Review**

(Hyondong Kim et.al., 2011) Stated that although the strategic human resource management literature has emphasized the value of the integration of human resource management into strategic management, the mechanism through which the strategic integration of HR functions contributes to the improvement of firm performance is relatively unknown. Assuming that HR strategies cannot be successfully implemented without employee support for and commitment to these strategies, this research focuses on high-involvement work practices, which allow employees to participate in management decisions as potential moderators of the integration of HR functions in strategic management and firm performance. This research found that the effects of a strategic HR function on firm performance were moderated by high involvement work practices such as a pay-for-performance program, a career development program, union participation in company strategy, and temporary worker benefits. The results suggest that a strategic HR function will not be successful without institutional mechanisms that foster employee involvement.

(Sebastian Fagerholm et.al. 2010) Stated that it is important to develop and execute human resource practices that generate employee competencies and behaviours the company needs to achieve its strategic goals. SHRM is about how to align HR strategies with corporate strategies, and implemented in a correct way SHRM can be an efficient tool to use for enhancing organisational performance.

(Edward W. Rogers et.al.1998) Focused on a major challenge for Strategic Human Resource Management research in the next decade will be to establish a clear, coherent and consistent construct for organizational performance. This paper describes the variety of measures used in current empirical research linking human resource management and organizational performance. Implications for futureresearch are discussed amidst the challenges of construct definition, divergent stakeholder criteria and the temporal dynamics of performance. The concept of performance information markets that addresses these challenges is proposed as a framework for the application of multi-dimensional weighted performance measurement systems.

(Jyotsna Bhatnagar et.al 2005) focuses on the empirical analysis of strategic HR roles and organizational learning capability.

(Chung-Jen Chen et.al 2007) They examine the role of knowledge management capacity in the relationship between strategic human resource practices and innovation performance from the knowledge-based view. The results indicate that strategic human resource practices are positively related to knowledge management capacity which, in turn, has a positive effect on innovation performance. The findings provide evidence that knowledge management capacity plays a mediating



role between strategic human resource practices and innovation performance. Finally, this study discusses managerial implications and highlights future research directions.

(Linda K. Stroh et.al., February 1998) Stated that as demands are made on organizations to expand their global markets, having an effective global human resources function becomes imperative. This study identifies ten factors, or guiding principles, that facilitate such effectiveness. The survey findings demonstrate that the global HR executives and the CEO/business unit executives rated the global HR function relatively high, while the executives in the other functional areas rated its effectiveness somewhat low. The relationship between the effectiveness of the global HR function and firm performance was also examined and revealed that three of the ten factors identified by the HR executives were related to bottom-line organizational performance measures.

These findings suggest that, in successful organizations, global HR is perceived to be making a contribution and actually is making a contribution to the overall financial performance of the organization,

### **Objectives of the Study**

1. To assess the awareness of the employee and managers in HR strategy implementation.
2. To assess the satisfaction about strategy formulation and implementation in HR functions

### **Scope of the Study**

The study is confined to large scale engineering industry with respect to Bharat Forge Ltd. Vaduth, Satara those are formulating and implementing the strategic HR. Concept of Strategic HR (Human Resources), Organizational effectiveness, Structure and Culture, Knowledge Management, Management of change was used for study. The collected data is analyzed by using simple statistical tools like weighted average method, mean, standard deviation etc.

### **Significance of the Study**

The study of Strategic HR is important for planning and organizing. This research is important to find out the problems and barriers in strategy formulation and implementation. It can identify the strength and weaknesses of the organization. The study of strategic HR improves business performance and develops organizational culture. It will helpful to develop new trends in strategic HRM in the organization.

## **STRATEGIC HR**

Strategy determines the direction in which the organization is going in relation to its environment. It is the process of defining intentions (strategic intent) and allocating or matching resources to opportunities and needs (resource based strategy), thus achieving strategic fit between them. Business strategy is concerned with achieving competitive advantage. The effective development and implementation of strategy depend on the strategic capability of the organization, which will include the ability not only to formulate strategic goals, but also to develop and implement strategic plans through the process of strategic management. Strategy is about implementation, which includes the management of change, as well as planning. Strategic HRM is an approach to making decisions on the intentions and plans of the organization concerning the employment relationship and its recruitment, training, development, performance management, reward and employee relations strategies, policies and practices.

“A human resource system that is tailored to the demands of the business strategy.”

According to Wright & McMahan, 1992, Strategic Human Resource Management refers to:

“The pattern of planned human resource activities intended to enable an organization to achieve its goals.”

## **STRATEGIC HUMAN RESOURCE MANAGEMENT**

In this management system, human resource is given due importance while planning goals and long term strategies. The skills that are necessary to meet the organizational goals are developed in employees. This point is considered during the planning phase and included in the policies devised for meeting goals.

Nowadays, the human resource department does much more than just recruiting employees for the company. Using the human resource effectively in order to give the company a competitive advantage and completing the set targets, are some of the priorities.

The mission statements reflect the strategies, goals and the overall approach of companies. The values inherited and the policies devised by firms are based on the mission statements; these statements are the driving force which motivate the employees to move ahead.

## **RESEARCH METHODOLOGY**

### **Type of Research**

The present research is Diagnostic Inferential in nature.

### **Data Required**

Following data is required for the study purpose:

Information like demographic factor of employees and managers, awareness about the strategies formulation and implementation, barriers in strategy formulation and implementation and its causes, new trends of strategy in 21st century, conceptual background of Strategic HR is required.

### **Data Sources**

Primary data is collected through schedules, interview by employees and managers, observation method. Secondary data is collected through books and websites.

### **Research Instruments**

Researcher has collected all required data through survey method, observation, schedules and weighted average method.

### **Sampling**

Convenience sampling method has been used for the employee interview by the researcher.

Census method has been used for the manager's interview. Sample size for the managers is 10. Sample size for the employees is 20.

### Data Analysis

Data analysis deals with analysis of whole data which is collected through various techniques. Researcher has analyzed the data with help of tables and weighted average method, rank, mean, standard deviation.

The data analysis is based on two groups i.e., employees and managers feedback. Table showing awareness regarding the policies about the employees and managers.

Table 1: Awareness Regarding the Policies about the Employees and Managers

Sr.	Policies	Employee	Managers
1	Recruitment Policy/Procedure	85%	100%
2	Joining Procedure	100%	100%
3	Terms and Conditions of Employment	100%	100%
4	Conveyance Reimbursement Policy	85%	100%
5	Social Security Benefit Policy	85%	70%
6	Leave Policy	100%	100%
7	Leave Travel Assistance Policy	100%	100%
8	Foreign Trip Allowance Policy	30%	70%
9	Telephone Policy	55%	80%
10	Four Wheeler/Two Wheeler	55%	100%
11	Performance Appraisal/Promotion Policy/Performance Management	85%	100%
12	Training and Development	70%	100%
13	Policy for Issue Pertaining to Female Officers	35%	50%
14	Relocation Policy	85%	70%
15	Suggestion Policy	85%	90%
16	Security Policy	80%	70%
17	Separation Policy	30%	50%
18	Reward Systems	55%	90%
19	High Commitment Work Systems	85%	100%

Source: Primary Data

The above table reveals that only 30% employees are aware about the foreign trip allowance policy and 70% managers are aware about this policy. Only 35% employees are aware about the Policy for issue pertaining to female officers and only 50% managers are aware about this policy provided by the organization. Only 30% employees are aware about the Separation and only 50% managers are aware about this policy provided by the organization. So it indicates that Employees are less aware about the policies as compare to managers. Table showing satisfaction level about the strategy formulation.

Table 2: Satisfaction Level about the Strategy Formulation

Sr.	Policies	Satisfaction Level about the Formulation			
		Employee			
		Wt. A	Rank	Mean	SD
1	Recruitment Policy/Procedure	5.87	1	1.60	1.09
2	Joining Procedure	5.67	2	1.75	1.20
3	Terms and Conditions of Employment	5.40	7	1.95	1.50
4	Conveyance Reimbursement Policy	5.07	10	2.20	1.60
5	Social Security Benefit Policy	5.27	8	2.05	1.35
6	Leave Policy	5.67	2	1.75	1.20
7	Leave Travel Assistance Policy	5.53	5	1.85	0.93
8	Foreign Trip Allowance Policy	4.27	16	2.8	1.50
9	Telephone Policy	4.27	16	2.8	1.60
10	Four Wheeler/Two Wheeler	4.27	16	2.8	1.60
11	Performance Appraisal/ Promotion Policy/Performance Management	5.07	10	2.20	1.15
12	Training and Development	4.60	13	2.55	1.27
13	Policy for Issue Pertaining to Female Officers	4.40	15	2.70	1.38
14	Relocation Policy	5.27	8	2.05	1.35
15	Suggestion Policy	4.80	12	2.40	1.78
16	Security Policy	5.60	4	1.80	0.89
17	Separation Policy	4.47	14	2.65	1.22
18	Reward Systems	4.20	19	2.85	1.66
19	High Commitment Work Systems	5.47	6	1.90	1.02

Source: Primary Data

The above table reveals that employees are most satisfied about the formulation of Recruitment policy because it carries high weighted average, it carries 1 rank. Joining procedure carries 2nd rank.

Employees are dissatisfied about Reward system it carries lowest rank i.e., 19<sup>th</sup>, the weighted average is 5.47. Employees are also dissatisfied about the Foreign trip allowance policy, Telephone policy, Four wheeler/Two wheeler its also carries lowest rank i.e. 16<sup>th</sup> rank and the weighted average is 4.27. Table showing Satisfaction level of the managers about the strategy formulation.

Table 3: Satisfaction level of the Managers about the Strategy Formulation

Sr.	Policies	Satisfaction Level about the Formulation			
		Managers			
		Wt. A	Rank	Mean	SD
1	Recruitment Policy/Procedure	2.93	3	1.6	0.69
2	Joining Procedure	3.07	1	1.4	0.69
3	Terms and Conditions of Employment	2.80	6	1.8	0.63
4	Conveyance Reimbursement Policy	2.80	6	1.8	0.91
5	Social Security Benefit Policy	2.93	3	1.6	0.69
6	Leave Policy	2.80	6	1.8	0.91
7	Leave Travel Assistance Policy	2.40	16	2.4	0.96
8	Foreign Trip Allowance Policy	2.67	9	2	1.05
9	Telephone Policy	2.53	15	2.2	0.91
10	Four Wheeler/Two Wheeler	2.67	9	2	1.24
11	Performance Appraisal/ Promotion Policy/ Performance Management	3	2	1.5	0.52
12	Training and Development	2.67	9	2	0.81
13	Policy for Issue Pertaining to Female Officers	1.93	19	3.1	1.10
14	Relocation Policy	2.33	17	2.5	1.26
15	Suggestion Policy	2.67	9	2	1.05
16	Security Policy	2.67	9	2	1.05
17	Separation Policy	2.20	18	2.7	1.25
18	Reward Systems	2.60	14	2.1	0.99
19	High Commitment Work Systems	2.87	5	1.7	0.48

Source: Primary Data

The above table reveals that Managers are satisfied about the joining procedure in the organization it carries 1 rank, it carries 3.07 weighted average. Performance appraisal/Promotion policy/Performance Management carries 2nd rank.

Managers are dissatisfied with Policy for issue pertaining to female officers it carries 19th rank, it carries 1.93 weighted average. They are also dissatisfied with Separation policy, it carries 18th rank with 2.20 weighted average. Table showing satisfaction level about the strategy implementation.

Table 4: Satisfaction Level about the Strategy Implementation

Sr.	Policies	Satisfaction Level about the Implementation			
		Employee			
		Wt. A	Rank	Mean	SD
1	Recruitment Policy/Procedure	4.60	5	2.55	0.94
2	Joining Procedure	4.2	7	2.85	0.67
3	Terms and Conditions of Employment	4.4	6	2.7	0.92
4	Conveyance Reimbursement Policy	3.26	13	3.55	1.23
5	Social Security Benefit Policy	4.73	4	2.45	0.94
6	Leave Policy	4.93	2	2.3	0.73
7	Leave Travel Assistance Policy	5.33	1	2	0.56
8	Foreign Trip Allowance Policy	3.06	15	3.7	0.73
9	Telephone Policy	2.46	17	4.15	0.36
10	Four Wheeler/Two Wheeler	2.46	17	4.15	0.36
11	Performance Appraisal/ Promotion Policy/ Performance Management	4.13	9	2.9	1.16
12	Training and Development	3.93	11	3.05	1.09
13	Policy for Issue Pertaining to Female Officers	2.86	16	3.85	0.36
14	Relocation Policy	4.2	7	2.85	1.04
15	Suggestion Policy	3.26	13	3.55	1.46
16	Security Policy	4.8	3	2.4	0.75
17	Separation Policy	3.6	12	3.3	0.47
18	Reward Systems	2.46	17	4.15	0.67
19	High Commitment Work Systems	4.06	10	2.95	1.09

Source: Primary Data

The above table reveals that employees are satisfied with implementation of Leave travel assistance policy. It carries 1st rank with 5.33 weighted average. They are also satisfied with Leave policy it carries 2nd rank.

Employees are dissatisfied with Telephone policy, Four wheeler/Two wheeler policy, Reward systems. It carries 17th rank with 2.46 weighted average.

It indicates that Telephone Policy and Four wheeler/Two wheeler policy are the strongest parameter in satisfaction level of the employees about the strategy implementation because it carries same weighted average, rank, mean and standard deviation. The table showing Satisfaction level of the managers about the strategy implementation. The table showing Satisfaction level of the managers about the strategy implementation.

Table 5: Satisfaction Level of the Managers about the Strategy Implementation

Sr.	Policies	Satisfaction Level about the Implementation			
		Managers			
		Wt. A	Rank	Mean	SD
1	Recruitment Policy/Procedure	2.93	2	1.6	0.69
2	Joining Procedure	3.07	1	1.4	0.69
3	Terms and Conditions of Employment	2.67	9	2	0.81
4	Conveyance Reimbursement Policy	2.93	2	1.6	0.69
5	Social Security Benefit Policy	2.80	7	1.8	0.91
6	Leave Policy	2.87	5	1.7	0.48
7	Leave Travel Assistance Policy	2.40	16	2.4	0.96
8	Foreign Trip Allowance Policy	2.60	12	2.1	1.28
9	Telephone Policy	2.47	14	2.3	1.05
10	Four Wheeler/Two Wheeler	2.47	14	2.3	1.41
11	Performance Appraisal/Promotion Policy/Performance Management	2.67	9	2	0.81
12	Training and Development	2.80	7	1.8	0.63
13	Policy for Issue Pertaining to Female Officers	2	19	3	1.05
14	Relocation Policy	2.40	16	2.4	1.17
15	Suggestion Policy	2.87	5	1.7	0.67
16	Security Policy	2.60	12	2.1	1.19
17	Separation Policy	2.13	18	2.8	1.31
18	Reward Systems	2.67	9	2	0.81
19	High Commitment Work Systems	2.93	2	1.6	0.69

Source: Primary Data

The above table reveals that Managers are satisfied with the implementation of joining procedure. It carries 1st rank. And also satisfied with Recruitment policy/procedure, Conveyance Reimbursement policy, High commitment work systems. It carries 2nd rank with 2.93 weighted average.

Managers are dissatisfied with the implementation of Policy for issue pertaining to female officers. It carries 19th rank with 2 weighted average. They are also dissatisfied with Separation policy. It carries 18th rank.

Table 6: Awareness about the New Trends in Strategy in 21st Century.

Sr.	Trends	%
1	Internationalization of Market Integration	90%
2	Increased Competition, Which May not be Local or Even National through Free Market Ideology	100%
3	Rapid Technological Change	100%
4	New Concepts of Line and General Management	80%

5	Constantly Changing Ownership and Resultant Corporate Climates	80%
6	Cross-Cultural Issues	70%
7	The Economic Gravity Shifting from 'Developed' to 'Developing' Countries	90%

Source: Primary Data

The above table reveals that 90% managers are aware about the trend of Internationalization of market integration and The economic gravity shifting from 'developed' to 'developing' countries.

100% managers are aware about the trend of Increased competition, which may not be local or even national through free market ideology and Rapid technological change.

80% managers are aware about the New concepts of line and general management and Constantly changing ownership and resultant corporate climates.

Only 70% employees are aware about the Cross-cultural issues.

## FINDINGS

1. Employees are less aware about the Foreign trip allowance policy, Policy for issue pertaining to female officers, Separation policy as compare to managers. In most of policies employees are less aware about the other policies also.
2. Employees are dissatisfied about Reward system it carries lowest rank i.e. 19th and 5.47 weighted average. Employees are also dissatisfied about the Foreign trip allowance policy, Telephone policy, Four wheeler/Two wheeler its also carries lowest rank i.e. 16th rank and the weighted average is 4.27.
3. Managers are dissatisfied with Policy for issue pertaining to female officers it carries 19th rank, it carries 1.93 weighted average. They are also dissatisfied with Separation policy, it carries 18th rank with 2.20 weighted average.
4. Most of managers were given opinions regarding the Policy for issue pertaining to female officers because the mean is 3.
5. Telephone Policy and Four wheeler/Two wheeler policy are the strongest parameter in satisfaction level of the employees about the strategy implementation because it carries same weighted average, rank, mean and standard deviation.
6. Employees are satisfied with implementation of Leave travel assistance policy. They are also satisfied with Leave policy. But they are dissatisfied with Telephone policy, Four wheeler/Two wheeler policy, Reward systems.
7. Most of managers were given opinions regarding the Telephone Policy, Four wheeler/Two wheeler policy, Reward systems because the mean is 4.15.
8. The standard deviation of Telephone Policy, Four wheeler/Two wheeler policy, Policy for issue pertaining to female officers is 0.36.
9. 100% managers are aware about the trend of Increased competition, which may not be local or even national through free market ideology and Rapid technological change. 80%



managers are aware about the new concepts of line and general management and Constantly changing ownership and resultant corporate climates. Only 70% employees are aware about the Cross-cultural issues.

## CONCLUSION

It is observed that in an organization managers are aware about the policies; they are satisfied with the strategy formulation and implementation. There is less awareness amongst employee regarding the policy formulation and implementation. There is less concentration about the strategy implementation. Managers are much satisfied about the strategy formulation and implementation than the employee. There is less awareness amongst the employee regarding the foreign trip policy, separation policy, etc. And they are dissatisfied with the Telephone policy, Four wheeler/Two wheeler policy, Reward systems etc. Managers are aware about the new trends in strategic HRM like Increased competition, which may not be local or even national through free market ideology, Rapid technological change, Internationalization of market integration, The economic gravity shifting from 'developed' to 'developing' countries, etc. Strategic human resources provides a strategic framework to support long-term business goals and outcomes. Strategic human resource management is the proactive management of people. So it is helpful in the engineering firm and employees and managers are satisfied with it.

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## Consumer Behavior towards Washing Machines: A Comparative Analysis of Urban and Rural Consumer

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**Abstract:** The main objectives of the study are to analyze the difference between the buying behavior of urban and rural consumers in terms of their preference for various attributes of the choice criteria like brand, price, features, after-sales services for Washing machine in the rural and urban areas of Sangli District. The present study is exploratory research based on survey method. The researchers have collected primary data by comprehensive interview schedule and sample size is 150 consumers (75 rural consumers, the survey has been conducted in Tasgaon and Ashta and 75 urban consumers, the survey has been conducted in various localities of Sangli City) selected on convenience sampling method. This study was carried out for a period of Three months. The data which were collected from the respondents were analyzed by using percentage analysis and chi-square test. It is found and tested that there is no strong influence on urban and rural consumers with regard to their choice and preference for washing machines (brand, price, features, and after-sales services).

**Keywords:** Brand, Buying Behavior, Preference, Urban and Rural Consumers.

### INTRODUCTION

With the changing status of Indian women washing machines which were initially a luxury item have today evolved to become a bare necessity at home. Since most of the women in India are working there is little or no time left with them to carry out tedious work at home. These types of machines really come handy for the modern Indian women. Washing machines are not new to India. They were introduced in the Indian market quite a few decades ago. But the product took its own sweet time to convince the Indian masses. When washing machines were first launched in the Indian market they were highly priced and could not be afforded by the normal middle class strata of society. But with the growth in the Indian economy and the rising income levels of the middle class washing machines slowly and steadily made their way through most of the Indian houses. Rural economy and its healthy growth are the significant pre-requisites for progress and development of India. The rural market is emerging stronger with a gradual increase in disposable income disposable income.

Portion of an individual's income over which the recipient has complete discretion. To assess disposable income, it is necessary to determine total income, including not only wages and salaries, interest and dividend payments, and business profits, but also of the rural folk. The structure of the Indian economy indicates that a significant portion of the total income is derived from agriculture income. In addition, better procurement prices fixed for various crops and better yields due to benefits

of many research programmes have also contributed to the financial reinforcement of the rural markets. Thus it is beyond argument that the potential rural market has been intensifying and is set to grow with faster agricultural and rural development bearing more prosperity. The reasons for heading into the rural areas are fairly clear. The urban consumer durable market for products like color TVs, washing machines, refrigerators and air conditioners is growing annually between 7% and 10%. With 128 million households, the rural population is nearly three times the urban, probably because of the growing affluence and the increased agricultural output. In Sangli districts rural area are somewhat economically backward and dominated by villages as compared to other states. But over the years, this district has changed in economic and demographic environment and Sangli has got a special place in Maharashtra as sangli is famous for Grapes, Raisins and Turmeric, Sugarcane. In Sangli, most of the rural and urban consumers are using Whirlpool, LG, Electrolux, Samsung, IFB, Videocon, Godrej, Hitachi, Haier, Kenstar (Automatic and semi-automatic) Washing machines as a part of necessity. There is difference between the buying behavior of urban and rural consumers in terms of their preference for various attributes of the choice criteria like brand, price, features, and after-sales services for Washing machine in the rural and urban areas of Sangli District. Therefore, keeping in view the importance acquired by the washing machine, the present research work entitled, "Consumer Behavior towards Washing Machines: A Comparative Analysis of Urban and Rural Consumer"

### **Literature Review**

Hundal (2001) in a study on rural Sangli District, concluded that rural consumer considers the consumer durables as a necessity as a source of entertainment, education, information and comfort. He suggested increasing the number of distribution channels; introducing lower costs products with more focus on quality and brand image and family liking and after-sales services. Himes (2005) gained an insight into characteristics of consumers experiencing dissatisfaction with some household appliances. The variables namely; number of people in household, educational level of household head, annual household income, age of household, marital status, whether the house hold owns or rents its home, were the prime reasons for the differences in the socioeconomic characteristics of households experiencing or not experiencing dissatisfaction with consumer appliances in the preceding 12 month period. Herbig (1997) observed that a typical Indian middle class family categorizes durable goods into two groups; essentials and major purchases. Electric fans, gas stove, radio, electric iron, sewing machine, washing machine sewing machine, device that stitches cloth and other materials. Manchandani (2003) opines that the buying behavior demonstrated by the rural Indian differs conspicuously when compared to typical urban Indian. Moreover, values, aspirations and needs of the rural people vastly differ from that of urban population. Basic cultural values in rural India have not faded yet. Buying decisions are still made by the eldest male member in rural family where as even children influence buying decisions in urban areas. Further, buying decisions are highly influenced by social customs, traditions and beliefs in the rural markets. Many rural purchases require collective social sanction or consensus, unheard off in urban areas. Therefore, marketing strategies earlier adopted for targeting urban consumers cannot be applied as such in rural markets, specifically when the buying behavior influence continuum varies greatly.

## Research Methodology

Present research put to test the hypothesis, there is strong influence on the rural and urban consumers' choice and their preference for Brand, price, features, after sales service as a factor to be considered while purchasing washing machine.

The objectives set for this study is:

1. To study the pre-purchase behavior of rural and urban consumers of washing machines.
2. To analyze the factor influencing the choice of washing machine.
3. To study the post purchase behavior of rural and urban consumers of washing machines.

The sample size was 150 consumers (75 rural consumers, the survey has been conducted in Tasgaon and Ashta and 75 urban consumers, the survey has been conducted in various localities of Sangli City) selected on convenience sampling method. Opinions of samples were collected during August 2011 to October-2011.

A questionnaire was used to collect data. The study incorporated data analysis tools, which included descriptive and inferential statistics to analyze the data collected. Chi square test was used to establish the relationship between rural and urban consumers and their preference for choice criteria while purchasing washing machine.

From the observed frequencies, the expected frequencies were calculated using the formula;

Expected frequency (E) = Row total X Column total/ Grand total

Tables 3 to 9 illustrate the individual  $\chi^2$  values calculated for each category of respondents using the Chi-Square formula-  $\chi^2 = \sum (O_{ij} - E_{ij})^2 / E_{ij}$

## DATA PRESENTATION, ANALYSIS AND INTERPRETATION

**Rural Customer:** About 56% rural respondents were males and 44% were females. Age wise respondents below 20 years were 13%, between 20-30 years were 27%, between 30-40 years were 35.80 %, between 40-50 years were 15.05% and above 50 years were 9.03%. About Occupation, 35% rural respondents were agriculturists, 23% were in service and 13% in profession and 29% in business. Educational qualification was that about 52% were undergraduates, about 28% were graduates and 20% were post graduates and above. Monthly income of 20% respondents was between ₹ 10,000-20,000, 40% were having income between ₹ 20,000-30,000 and 26% were between ₹ 30,000-40,000 and 14% having ₹ 40,000 and above.

**Urban Customer:** About 53% urban respondents were males and 47% were females. Age wise respondents below 20 years were 6%, between 20-30 years were 16%, between 30-40 years were 38%, between 40-50 years were 24% and above 50 years were 16%. About occupation, 38% urban respondents were in service, 23% were professionals, 20% were in agriculture and 19% were in business. Educational qualification was that about 18% were undergraduates, about 42% were graduates and 40% were post graduates and above. Monthly income of 25% respondents was between ₹ 10,000-20,000, 35% were having income between ₹ 20,000-30,000 and 28% were between ₹ 30,000-40,000 and 12% having ₹ 40,000 and above. Pre-Purchase Behavior Of Rural And Urban Consumers

Table 1: Brand Wise Ownership

Sr.	Brand	Rural Consumer		Urban Consumer	
		Frequency	Percent	Frequency	Percent
1	Whirlpool,	7	12.00	21	28.00
2	LG	9	14.67	18	24.00
3	Samsung	12	24.00	19	25.33
4	Electolux	3	4.00	4	5.33
5	Videocon	26	34.67	7	9.33
6	IFB	3	4.00	3	4.00
7	Other	5	6.67	3	4.00
	Total	75	100	75	100

Source: Primary Data \*Other: Hitachi, Kenstar, Haier, and Godrej

Table 1 clearly shows the reliability and quality of washing machine by Videocon and Samsung and most popular brand of rural consumer while Whirlpool, Samsung and LG was the most popular brand of urban consumer

Table 2: Sources of Information

Sr.	Sources	Rural Consumer		Urban Consumer	
		Frequency	Percent	Frequency	Percent
1	Advertisement	5	20.00	20	26.67
2	Dealers Schemes	19	25.33	18	24.00
3	Sales Promotion	13	17.33	5	6.67
4	Friends/Relatives	26	34.67	11	14.67
5	Internet	2	2.67	21	28.00
	Total	75	100	75	100

Source: Primary Data

From the above table, it could be inferred that majority of rural respondents obtained the information from their friends/relatives and dealer schemes and urban consumers obtained the information from Internet, Advertisement. It is interesting to note that rural customers were not aware of Internet.

Table 3: Persons Influencing Purchase Decision

Sr.	Sources	Rural Consumer		Urban Consumer	
		Frequency	Percent	Frequency	Percent
1	Dealer	31	41.33	9	12.00
2	Friends/Relative/Spouse	26	34.67	12	16.00
3	Media	15	20.00	31	41.33
4	Collectively	3	4.00	23	30.67
	Total	75	100	75	100

Source: Primary Data

Table 2 shows that a vast majority of rural respondents (72%) took the dealer and friends/Relative/spouse decision whereas urban consumers were influenced by media.

Table 4: Reason to Buy

Sr.	Reason	Rural Consumer		Urban Consumer	
		Frequency	Percent	Frequency	Percent
1	Status Symbol	13	17.33	24	32.00
2	Comfort and Convenience	62	82.67	51	68.00
	Total	75	100	75	100

Source: Primary Data

Table 3 shows that majority of rural and urban consumers had purchased a washing machine for the purpose of comfort and convenience while 17.33% rural consumers and 32% urban consumers had purchase a washing machine to use it as a status symbol.

### Factors Influencing Washing Machine Choice

Table 5: Influencing Factors (Observed Frequencies)

Sr.	Category	Brand	Price	Features	After-Sales Service	Total
1	Rural	12	32	19	12	75
2	Urban	23	17	16	19	75
	Total	35 (23.33%)	49 (32.67%)	35 (23.33%)	31 (20.67%)	150 (100%)

Source: Primary Data

Table 6: Influencing Factors (Expected Frequencies)

Sr.	Category	Brand	Price	Features	After-Sales Service
1	Rural	17.5	24.5	17.5	15.5
2	Urban	17.5	24.5	17.5	15.5

Source: Primary Data

This research was undertaken on the assumption that consumer choice is influenced by Brand, price, features and after-sales service. The frequency and percentage attraction is illustrated in table 1. The results revealed that 23.33% of the customers were attracted by brand, 32.67% preferred the price offered, 23.33% were attracted by the features, 20.67% were attracted by the after-sales service.

The study analyzed the significance of the factors to establish their relation to customer's decision to choose a washing machine.  $\chi^2$  value was computed to test the significant relationship between the factors and the customer's choice for a washing machine.

Table 7: Rural Consumer

Sr.	Factors	$O_{ij}$	$E_{ij}$	$O_{ij} - E_{ij}$	$(O_{ij} - E_{ij})^2/E_{ij}$
1	Brand	12	17.5	-5.5	1.72
2	Price	32	24.5	7.5	2.29
3	Features	19	17.5	1.5	0.12

4	After-Sales Service	12	15.5	-3.5	0.80
				$\chi^2 =$	4.93

Table 8: Urban Consumer

Sr.	Factors	O <sub>ij</sub>	E <sub>ij</sub>	O <sub>ij</sub> - E <sub>ij</sub>	(O <sub>ij</sub> - E <sub>ij</sub> ) <sup>2</sup> /E <sub>ij</sub>
1	Brand	23	17.5	5.5	1.72
2	Price	17	24.5	-7.5	2.29
3	Features	16	17.5	-1.5	0.13
4	After-Sales Service	19	15.5	3.5	0.80
				$\chi^2 =$	4.94

The cumulative  $\chi^2$  for all respondent categories is summarized in Table 9.

The degrees of freedom d.f is  $(r - 1)(c - 1) = (2 - 1)(4 - 1) = 3$

Table 9: Calculated Chi-Square

Sr.	Factors	X <sup>2</sup>	$\sum X^2$	D.F.
1	Rural	4.93	9.87	3
2	Urban	4.94		
	Significance Level = 0.05			
	Table Value = 7.815			

The table value at 5% level of confidence is 7.815. This value is higher than the calculated value of 9.87. Since the calculated value of chi-square is less than the tabulated value, the study rejects the hypothesis and concludes that the factors (Brand, price, features, after sales service) so far tested do not have strong influence on rural and urban consumers' choice while purchasing washing machine.

## POST-PURCHASE ANALYSIS

Table 10: Customer Satisfaction with the Performance of Washing Machine

Sr.	Factor	Rural Consumer		Urban Consumer	
		Frequency	Percent	Frequency	Percent
1	Highly Satisfied	34	45.33	39	52.00
2	Satisfied	29	38.67	32	42.67
3	Dissatisfied	12	16.00	4	5.33
	Total	75	100	75	100

Source: Primary Data

Table 10 shows that majority of rural and urban consumers were highly satisfied with their washing machines.

### Customer Satisfaction with the After-Sales Services

Urban consumers were more satisfied with the after-sales services provided by dealer than rural consumers.

## **FINDINGS**

1. Videocon and Samsung was the most popular brand of rural consumer while Whirlpool, Samsung and LG was the most popular brand of urban consumer.
2. Rural respondents obtained the information regarding washing machine from their friends/relatives and dealer schemes and urban consumers obtained the information from Internet, Advertisement. It is interesting to note that rural customers were not aware of Internet.
3. Rural respondents took the dealer and friends/Relative/spouse decision whereas urban consumers were influenced by media.
4. Rural and urban consumers had purchased a washing machine for the purpose of comfort and convenience. For washing machine as 'symbol of social status', urban people seem to be strongly concerned about maintaining their social status as compared to rural consumers.
5. Urban respondents consider 'brand' reputation as a great stimulator for their washing machine purchase as compared to rural consumers.
6. Results indicate that both rural and urban consumers differ in their perception about price of washing machine. High rural response supports the view that rural consumers were highly influenced by the 'price' of washing machine.
7. Rural respondents consider 'features' was important factor for purchasing their washing machine as compared to urban consumers.
8. High urban consumers were influenced by the 'after-sales service' provided by the distributors as compared to rural consumers. Urban consumers were more satisfied with the after-sales services provided by dealer as compared to rural consumers.
9. Rural and urban consumers were highly satisfied with their washing machines performance.

## **SUGGESTIONS**

1. Persuasive advertisements can play a significant role in changing psychographic of prospects. Urban respondents too, assign high importance to marketing influence. Sophisticated programmes of salesmanship and sales promotion attract educated urban mass. Both groups hold the same opinion regarding motivational role of brand reputation in their purchase decision.
2. Further, high social concern displayed by rural people, especially during social occasions like marriages and festivals brings washing machine manufacturers to rethink over the timing of introducing new range of products with a variety of distinct features to enable rural folk to enjoy these celebrations in the most optimum manner by offering them cash discounts, gifts, easy installment, free services, free home delivery, coupons, extended warranty etc.
3. Marketing influence continue to trigger the psychology of both rural and urban mass. More sophisticated use of marketing and advertising means, aiming specifically to make them aware of core benefits of product use, will be beneficial in this context since both rural and urban consider brand reputation as one of the major motivator behind product purchase.



4. Urban people working on various jobs carry a time bound daily schedule which they have to follow. They recognize 'Price and Time Saving Device' as a major motivational factor. While rural mass still engaged in seasonal occupations or agriculture do not find time as a major constraint in their lives. Moreover, rural wives mostly uneducated are not working. Hence, while targeting rural markets, marketers should feature other benefits of washing machines as being of prime advantage to rural mass.
5. Dealers should give more preference to the after-sales service, complaints handling to retain the consumers, preferably rural consumers.

## CONCLUSION

Fast lifestyle and busy schedules require an urban person to make every effort to minimize the time utilized in unproductive activities like washing clothes. Hence, they being majority on jobs in private companies are unhesitant to consider washing machine as necessities. While rural mass especially women majority, being housewives, owing to their traditional life styles, old values still do not make much use of washing machines. That's why; they assign low importance to washing machine as an item of necessity. Videocon, Samsung Whirlpool, Samsung and LG clearly dominate the market of rural and urban consumers. Various models like Videocon, Samsung were favorites of rural consumer in Sangli region while Whirlpool, Samsung and LG were favorites of urban consumer. Rural consumers were highly satisfied with the performance of washing machine, after-sales services provided by dealer. For Urban consumer's Brand name were found to be primary determinant for buying washing machines while price was the primary determinant of rural consumers for buying washing machines.

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## Employer Brand: A Strategic Tool for Employee Retention

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**Abstract:** Employer brand is the image of an organization as a 'great place to work' in the mind of current employees and key stakeholders in the external market. The art and science of employer branding is therefore concerned with the attraction and engagement of employees. Present research analyzes the role of employer brand in employee retention in current competitive era. The study finds out the relationship between employer brand and employee retention and concludes that the employer brand is definitely reflected into employee retention.

**Keywords:** Employer Brand, Employee Retention, Organization.

### INTRODUCTION

In the 60s and 70s, employees would bring and apply their abilities to the job, and in exchange, the organization would provide security, raises, good benefits, and career progression to them. The idea of organizational loyalty is important and they believed the employment relationship was like a marriage, and neither party would end it unless there was a serious problem. But this scenario has changed over time with new generations entering the workforce. Many individuals with technology backgrounds came with high expectations and demands from employers who don't want to stay with one employer forever, like in the past. So for attracting and retaining talented employees Employer Branding is arising as a powerful tool in Human Resource Management. Essentially Employer Brand is the reputation of employer in external and internal market place. The term describes how an organisation markets what it has to offer to potential and existing employees. Employer branding is an ongoing and continues process and not a one-time campaign. It is long term work. Employer Branding activities are initiated not only to attract external talents to the organization and build up a correct future image in the external market but also to build the right internal image, in order to keep and even engage current employees.

### Research Problem

To survive in the cut-throught competition in the current era each and every organization needs pool of qualified, skilled and talented persons for different positions. So they hire talented, experienced, knowledgeable, productive, well-networked, high-potential employees who may experiences a learning curve in their organization, becomes productive and after some time leaves that organization. This dysfunctional turnover matters a lot for the organization in terms of recruiting costs, selection costs, on boarding costs i.e. training, socialization/orientation etc as well as costs associated with disruption of a workgroup when employee leaves; threat of others leaving as well and significant

losses in productivity until position is filled again. Thus it becomes necessary to find out an answer to a question that, what strategic tools should be used for employee retention and employee engagement?

### **Concept of Employee Retention and Employer Brand**

Employee retention is a well-known business management term referring to efforts by employers to retain current employees in their workforce. It can be defined as: 'Employee Retention refers to organizational policies and practices designed to meet the diverse needs of employees and create an environment that encourages employees to remain employed'.

While an employer brand is a collection of ideas and beliefs that influence the way current and potential employees view an organisation and the employment experience that organisation is offering. The term employer brand was first used in the early 1990s to denote an organisation's reputation as an employer. It can be defined as follows:

"Employer Branding is a logical process through which employers strive for one main goal to have a strong appeal on their future and current ideal employees. 'a set of attributes and qualities – often intangible – that makes an organisation distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform best in its culture'. 'Employer branding is the sum of a company's efforts to communicate to existing and prospective staff what makes it a desirable place to work, and the active management of a company's image as seen through the eyes of its associates and potential hires'.

A strong employer brand should connect an organisation's values, people strategy and HR policies and be linked to the company brand.

Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time and employer brand communicates the company's culture and values and helps to ensure employees are passionate about, and fit in with, the organizational culture to help move the company forward. The present research paper tries to analyze how an employer brand is act as tool for employee retention.

### **Review of Literature**

To prevent dysfunctional turnover there should be psychological contract i.e. unwritten understanding regarding what employee and employer want from the employment relationship. It will played important role to set the stage for retention, because what an employee expects from the employment relationship in terms of goals, desires, aspirations, lifestyle fit, etc., will factor heavily in whether they accept a job and stay with an organization. Today's employees work hard and devote extra time when needed, continue to learn, grow, and innovate and stay a reasonable period of time with employer while employers provide competitive compensation and benefits, offer continuous skill development and growth opportunities, allow flexibility in working arrangements etc. Researcher comprise these efforts taken by employer under one umbrella i.e. creating employer brand for employee retention on the basis of review of literature taken.

To attract the right individuals, organizations need an employer brand that fits their purpose, identity and strategic intent. The major reason for developing an employer brand is to help potential employees

make a good decision about whether there's a fit between them and the organization (Edward E. Lawler III and Christopher G. Worley (2011).

The translation of value, brand, and retention equity from marketing to the HRM domain by viewing employees as internal customers offer an aid in effectively managing and retaining human assets in organizations (Robert L. Cardy *et.al.* (2007). The ability to attract and retain hard-to-find professionals is vitally connected to the perceptions of organization both internally and externally. The relationship between employers and employees to and among each other and the values organization strives for collectively are the cornerstones of employment brand. It is imperative for employers to create and sustain an environment where employees are inherently positive and connected to their organization Mitchell S.G. (2008). According to Maxwell and Rachael (2010) current conceptualizations of the Employer Brand focus solely on employment, may be overly restrictive. The strategy of becoming an Employer of Choice, though widely considered a 'business imperative', is unlikely to have the desired effect on employee behavior. In order to align the behaviour of their employees with the identity of their organisation, managers should seek to understand the unique identity of their own organisation and to determine what makes that identity attractive to their employees. Employer branding aims to differentiate companies on the labour market and to support them effectively in their endeavor to approach, acquire and retain the most talented employees. The employer brand plays an important role in preventing unplanned impulses, which result out of negative impacts from the business environment (Macioschek Andreas and Katoen Robin (2007).

According to Todericiu Ramona and Muscalu Emanoil (2010), the employer brand refers to the image that a company has on the labour market and, in many cases, it is the essential information that candidates rely on when they have to make a choice between employment opportunities. The brand speaks before the management, being the beginning of the relationship with potential candidates and being a valuable support in the battle for talents. So the main benefits of the employer brand are concerned with an increasing the rate of employee retention and commitment, particularly through recruitment facilitation. Once the employer brand is developed, it can optimize the recruitment process in itself, as well as the motivation and retention of employees. Satisfied employees become attached to the company, wishing to outdo themselves and prove their loyalty towards the employer. They will be proud of the company they work for and will plan their future in this respect. They also mentioned that, the investment in the employer image will be returned through reducing the effort in the talent recruitment and retention process. Externally, a strong employer brand can support the organization in the battle for talents, while internally it can contribute to their employee retention.

Firms are using employer branding to attract recruits and assure that current employees are engaged in the culture and the strategy of the firm (Lale Tuzuner V., Arsun Yuksel Cenk (2009). Employer brand is about capturing the essence of an organization in a way that engages current and prospective talent. It expresses an organization's 'value proposition' the entirety of its culture, systems, attitudes and employee relationships, providing a new focal point for the company (Das Tulasi V., Rao Hanumantha P. (2012). When organization has good employer brand, the organization will increase its ability to attract, recruit, hire and retain talents it needs. Having strong employer brand will ultimately reduce the cost of hiring, lower turnover and increase employee productivity (Nicoleta Valentina Florea (2011).

The repute of the organizations always makes them highly prestigious and people prefer to work in these organizations. Employer brand activities as a whole attract the potential employees and create more attraction for the current employees. The combination of Employer Branding and talent management can make the organization attractive not only for the internal employees but for the external employees also (Babar Yaqub, Dr. Khan Muhammad Aslam (2011). Jiang TingTing, Iles Paul (2006) finds that organizational attractiveness and employee-based brand equity plays important role in the process that leads to the intention to apply, respond to job offers, and remain with the organization. Love Linda F. and Singh Parbudyal (2011) also opine that high levels of retention, increased rates of growth in sales and profit etc. are the outcomes of employer brand.

With the liberalization of the Indian economy in 1991 and subsequent economic reforms, Indian companies are becoming internationally strategic to utilize the employer brand to attract and retain talent which leads to expand and growth of the business (Dawn Suman Kumar, Biswas Suparna (2011).

The review of literature ensures that employer brand attract competent workforce as well as helps to retain them and reduce dysfunctional turnover.

### Research Methodology

Present research is diagnostic inferential in nature. It aims to analyze role of employer brand in employee retention.

Primary data is collected with the help of structured schedule. Medium scale engineering unit situated in MIDC Satara, State of Maharashtra, India was selected for research. Thirty samples were selected using random sampling lottery method. Data is collected by using likert scale. 35 variables spread over five factors of employer brand viz. Interest value, Social value, Economic value, Development value and Application value were bring in use to asses them as reasons for retention. Out of that Interest value measures the extent to which an individual is attracted to an employer because of the excitement and creativity of the work environment while Social value measures attraction based on a collegial work environment with a good team atmosphere. Economic value and development value measures attraction based on salary and benefits and attraction based on recognition of work and career-enhancing opportunities respectively. Application value measures attraction due to employees' abilities to apply what they have learned to teach others and interact with customers in a way that is positive and humanitarian. Other 6 important factors are taken under the head other factors.

Data is classified, tabulated and analyzed using Weighted Average, Mean and rank method.

### Data Analysis

Following table shows importance given by samples to sub-parameters of employer brand to retain with organization.

Table 1: Parameters of Employer Brand

Sr.	Parameters	Wtd Avg.	Rank
A.	Interest Value		
1.	Exciting Environment	8.00	5

2.	A Fun and Happy Working Environment	8.27	4
3.	Working Conditions	7.93	6
4.	HR Policies and Procedures	7.80	7
5.	Innovative Employer	8.80	3
6.	Implements Credible Ideas	9.00	2
7.	Feeling Good and More Self-Confident During Working	9.40	1
B.	Social Value		
1.	Acceptance and Belonging	8.33	3
2.	Inter Personnel Openness	8.27	6
3.	Sense of Community	8.33	3
4.	Good Relationship with Superiors	8.20	7
5.	Good Relationship with Colleagues	8.47	2
6.	Supportive, Encouraging, Smart, Passionate Fellow Employees	8.33	3
7.	Humanized Treatment to Employees	8.60	1
C.	Economic Value		
1.	An above Average Basic Salary	7.80	3
2.	Attractive Overall Compensation Package	7.93	2
3.	Extrinsic Rewards	7.47	4
4.	Productivity Based Incentive	8.40	1
5.	Fringe Benefits and Recreational Facilities	6.80	6
6.	Welfare Activities	6.93	5
D.	Development Value		
1.	Recognition/Appreciation from Mgt.	8.73	2
2.	Extensive Training	7.60	9
3.	Job Satisfaction	8.87	1
4.	A Springboard for Future Employment	8.20	5
5.	Gaining Career-Enhancing Experience	8.53	4
6.	Promotion Opportunities	8.60	3
7.	Mentoring Program	7.33	11
8.	Moderate Delegation of Authority	7.73	8
9.	Autonomy at Work	7.40	10
10.	Regular Feedback about Work	8.07	7
11.	Job Security	8.20	5
E.	Application Value		
1.	Opportunity to Apply What Was Learned at a Tertiary Institution	8.00	4
2.	Opportunity to Teach Others What You Have Learned	8.67	2
3.	The Organisation is Customer-Orientated	8.87	1
4.	Corporate Social Responsibility	8.33	3

F.	Other Factors		
1.	Work-Life Balance	8.13	3
2.	Little Bureaucracy	7.33	6
3.	High-Quality and Innovative Products/Services	8.27	2
4.	Flat Organizational Structure	7.60	5
5.	Organizational Commitment	8.47	1
6.	Organizational Prestige	8.00	4

Source: (Compiled by researcher)

Above table reveals that employees are interested in such employer who increase their moral with confidence and implements credible ideas.

Employees gives considerable weightage to humanized treatment, good relationship with colleagues and passionate fellow employees to be retain with current employer.

Employees gives priority to productivity based incentives, an above average basic salary and attractive overall compensation package from economic value of employer brand to be with employer for long time.

Employees expect job satisfaction, appreciation from management and promotion opportunities in organization on order to develop themselves.

According to samples, organization should be customer oriented and provide opportunity to teach others what they have learned as far as concerned to application value.

While thinking of other factors employees gives importance to organizational commitment, high-quality and innovative products/services and work-life balance having rank 1, 2, 3 respectively. Following table shows Comparison between mean of all parameters of employer brand.

Table 2: Comparison of Mean

Sr. No.	Parameters	Mean of Wtd. Avg.	Overall Rank
A.	Interest value	8.46	1
B.	Social value	8.36	3
C.	Economic value	7.55	6
D.	Development value	8.11	4
E.	Application value	8.46	1
F.	Other Factors	7.97	5

Source: (Compiled by researcher)

Above table shows that employees stay in one organization for long time if their Interest Value and Application Value are get satisfied by organization since both the parameters having high mean i.e. 8.46 than other parameters. Then employees prefer satisfaction of Social Values and Development Values since they have rank 3 and 4 respectively.

It can be concluded that Interest values and Application values of employer brand plays vital role in retaining employees.

## FINDINGS

1. Employees prefer innovative and creative employer for long time who boost their moral and confidence.
2. Employees expect humanized treatment, acceptance, belongingness and good relationship with colleagues to be work with employer for long time.
3. Employees seek incentives, good basic salary and attractive overall compensation package from employer for retention.
4. Employer retains competent employees by providing job satisfaction, appreciating their work, offering promotion opportunities etc.
5. Being a customer-oriented organization does not make it to be Brand for external customer but for internal customer i.e. employees as well, which retain the employees.
6. Organizational commitment, Work-life balance and High-quality, innovative products/ services are important requirements for retaining employees.
7. Employees give considerable low weightage to Economic Values for retaining if they are satisfied with other values in organization.
8. Satisfaction of Interest values and Application values of employer brand plays vital role in retaining employees.

## CONCLUSION

Developing a strong employer brand can represent a long term strategy for organizations, one that will allow them to respond to the difficulties generated by the talent crisis and to the challenges concerning employee retention. An employer brand proposition can be used as a strategic tool to attract, engage and retain talented candidates and employees, clients, customers and consumers also.

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## An Empirical Study on Communication System in Selected Cooperative Sugar Factory

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**Abstract:** Employer brand is the image of an organization as a 'great place to work' in the mind of current employees and key stakeholders in the external market. The art and science of employer branding is therefore concerned with the attraction and engagement of employees. Present research analyzes the role of employer brand in employee retention in current competitive era. The study finds out the relationship between employer brand and employee retention and concludes that the employer brand is definitely reflected into employee retention.

**Keywords:** Employer Brand, Employee Retention, Organization.

### INTRODUCTION

Sugar industry is the second largest industry after the textile industry in India. It is playing a very prominent role for the development of Indian economy. It is believed that India is the original home of sugarcane. Now a days sugar production and consumption is expanded dramatically, so numbers of people are getting employment opportunities directly and indirectly from this sector. The most outstanding feature of the industry is its vital link between the sugar factory and the cultivators whose interests are inter-dependent.

Sugar industry is labour intensive industry employing more percentage of population of the society, covering both organised and unorganised human resources. As in case with any other industry, sugar industry employs multi-skilled workers at different levels of management. It is of prime importance from the management perspective to utilize the skills of the employees in optimum manner.

Communication system is concerned with human being employed in the sugar factories it may be in private or public or cooperative sector. It deals with the process of developing people, in accordance with their aspirations and to suit the organizational needs. Human resource can be used as a means for developing other resources in a proper manner. Therefore, effective communication system affect the overall performance of the organisation and in sugar industry human resource is playing vital role. Sugar industry playing very significant role for the development of rural area.

The economy of western Maharashtra and its vicinity is highly dominated by sugar industry situated in this area. Hence, the detailed research study of selected sugar factories will be an advantage to the development of communication system of selected sugar factories.

## Review of Literature

The word "communication" is derived from "Communis" (Latin), meaning "Common". It stands for a natural activity of all human beings to convey opinions, feelings, information and ideas to others through words (written or spoken), body language or signs. Geroge Varman in his book *Effective Communication of Ideas* defines effective communication as "purposive interchange, resulting in workable understanding and agreement between the sender and receiver of a message". (Business Communication- P.D. Chaturvedii and Mukesh Chaturvedi – 2004).

In modern connotation, communication is not mere the exchange of the idea and thoughts and is said to be, "The total sum of all aspects that individuals do when they want to create a clear-cut understanding in the receivers' minds and persuades them to act or react in desired manner."

Communication is considered to be the back bone of the organizations. The entire process of inputs and outputs of organizations is likely to be mediated through Communication. The structure, extensiveness, and scope of organizations are almost entirely determined by communication techniques (Bernard, 1938). Communication plays an important role in knowledge management; particularly in minimizing the "silos of knowledge" problem that undermines an organizations potential (S. Greegard 1998). Communication has proven as elusive as the unicorn. The noise level has gone up so fast that no one can really listen any more to all that babble about communication. But there is clearly less and less communicating. The communication gap within in the institutions and groups in society has been widening steadily – to the point where it threatens to become an unbridgeable gulf of total misunderstanding. (Peter Drucker 1977).

Communication is significant as it serves four major functions within a groups or organization-control, emotional, motivation expression and information. (Stephen P. Robbins 1993). Various components of an organization and also between organizations, such as its size, it's differentiated structure and its ability to handle decisions in a Company coordinates manner are supposed to relate each other at least in part through communication (George R. Terry and Stephen G. Franklin 1987 ).

Communication refers to the process by which information is transmitted and understood between two and more people. We emphasize the world understood because transmitting the sender's intended meaning is the essence of good communication. Corporate leaders spend almost 80 % of their day communicating, so it communication skills. (L.E. Penley, E.R. Alenander, I.E. Jernigan and C.L. Henwood 1991). They are supposed to be relegated to communication. It is possible for example, that message passing from one person to another is inversely proportional to the distance between them. (Miller, 1951: French, 1956).

## Scope of the Study

Research study has focused on communication system conducted in selected sugar factories. The areas of the study are as follows

1. The number of permanent employees working in selected sugar factories.
2. Existing communication system in the sugar factories in general.
3. Study of the managerial, supervisory and below managerial level staff of selected sugar industries.

Research study has related to an evaluation communication pattern the rational behind the study is to understand the communication with special reference to Upward, Downward, Interdepartmental communication, communication barriers, Mode of preference by the employees.

### Objectives of the Study

1. To understand different communication system with special reference to upward and downward communication.
2. To evaluate communication process between various departments.
3. To evaluate the communication barriers in various departments.
4. To understand different mode of preference of communication at different levels of in the organisation.

### Hypothesis

1. There exists a differences of Upward communication differs between different levels of the organization structure.
2. Communication barriers exist between different levels in the organisation.
3. The mode of communication preferences changes between different levels of the organisational structure.

### Research Tools

**Organization Communication Questionnaire:** The questionnaire prepared and used for research study keeping in view the set objectives of the study. The questionnaire consists of five dimensions namely:

1. Upward Communication
2. Downward Communication
3. Inter-departmental Communication
4. Communication Barriers
5. Combine factors of different aspects of communication system.

**Mode of Communication:** Ten different modes of communication have been identified and given to the respondents to rank them according to the numerical order of reference. They were: Face to Face Communication, Notice board, Conferences, Daily news bulletins, General Body Meeting, E-Mail, Telephone talk, Hand bills, Monthly Bulletins, Circulars

### Samples

The universe of the sample includes all the employees from Shri. Chatrapati Shahu Cooperative Sugar Factory Ltd., Agar Dist. Kolhapur and Shri. Tatyasaheb Kore Warana Cooperative Sugar Factory Ltd., Warananagar, Dist. Kolhapur. In these factories there are 446 and 642 (Permanent) total 1088 employees are working, out of these 245 employees have been selected as respondent on the basis of convenience. The respondents did not properly answer some of the questions. And some of the questions that were not properly answered by the respondents have been rejected. In the final version, only 223 samples were retained. It includes Managerial, Supervisory and below supervisory level respondents.

### Scoring Pattern

The questionnaire was given in a likert five point scale viz., always, usually, sometimes, seldom and never etc. there are positive and negative statements.

**Always:** 5 Points, **B) Usually:** 4 Points, **C) Sometimes:** 3 Points

**Seldom:** 2 Points **E) Never:** 1 Points

### STATISTICAL ANALYSIS

The Mean, Standard deviation and 't' test was tabulated to know the communication difference between different levels of organizational hierarchy. The mean difference was also tabulated to know the communication effectiveness between different levels of organizational hierarchy. The rank Correlation effect between three levels of organization structure in communication media.

### The Significance of the Study

In the changing business environment in sugar industry and its important contribution towards rural area. A study of communication system becomes an important component of sugar factories. Like the functional areas of production, marketing and finance, communication too is shaping into a distinct area, in the form of corporate communication. Organizational communication is the transfer of information and knowledge among organizational members for the purpose of increasing organizational efficiency and effectiveness. From the Manager perspective, some of the major factor that dictate specifics common needs include the nature of the industry, organizational culture, levels and goals, size of the enterprise, personal need for autonomy and the need for increased quality of work life by the personnel.

The present study is related to "A Study of communication system in Cooperative sugar factories with special reference to Shri. Chatrapati Shahu Cooperative Sugar Factory Ltd., Kagar Dist. Kolhapur and Shri. Tatyasaheb Kore Warana Cooperative Sugar Factory Ltd., Warananagar, Dist. Kolhapur. The present study aims to assess the different aspects of the communication with special emphasis on Upward communication and downward communication and at the same time evaluates the horizontal and interdepartmental communication. Further the study evaluates the different barriers of communication, which are affecting effective organizational function. It is also an attempt to study the existing effectiveness of different management aspect of the communication system. Further the study evaluates the communication to understand in respect of honesty, encouragement, confidence and overall effectiveness.

### ANALYSIS AND INTERPRETATION OF DATA

The sample size for the present research work is as follows

- |                           |       |
|---------------------------|-------|
| 1. Top level employees    | - 35  |
| 2. Middle level employees | - 78  |
| 3. Lower level employees  | - 110 |

The Top level of management includes the Chief Managers and Sr. Managers. The Middle level management includes Managers and Superintendents. The Lower level management includes Supervisors and below supervisors staff.

Table 1: The Table Showing Mean, Standard Deviation and 't' Score between Various Levels of Employees Regarding Upward Communication

Level of Employees	Mean			Standard Deviation			Degree of freedom	't' Score
	Top	Middle	Lower	Top	Middle	Lower		
Top and Middle	4.21	2.87	--	0.68	1.14	--	134	5.9*
Top and Lower	4.21	--	2.36	0.68	--	0.86	102	10.43*
Middle and Lower	--	2.87	2.36	--	1.14	0.86	182	3.52*

\* = P < 0.05

The above table is related to Upward Communication between Top and Middle level, Top and Lower level and Middle and Lower level employees. The obtained 't' score is 5.9 is significant at 0.05 level of confidence. It indicates that there is difference between Top and Middle level, Top and Lower level and Middle and Lower level employees regarding the upward communication.

It means that Top level executives and Middle level executives the communication regarding suggestions, encourage the idea from subordinates and information receiving from the subordinates are not so smooth as it should be.

Table 2: Table Showing Mean Differences Regarding Upward Communication

Level of Employees	Mean			Mean Difference
	Top	Middle	Lower	
Top and Middle	4.21	2.87	--	2.34
Top and Lower	4.21	--	2.36	2.85
Middle and Lower	--	2.87	2.36	0.51

To make further analysis the mean score of Top, Middle and Lower level respondents have been tabulated, which is projected in the table No. 2. It indicates that the mean value of Top level employees regarding upward communication is 4.21, whereas Middle level mean value is 2.87 and lower level employees mean value is 2.36. It indicates that upward communication is better projected among the Top and Middle level employees as compared to the Lower level employee.

The hypothesis is tested "There exists a differences of Upward communication differs between different level of the organisation structure." This hypothesis is accepted because all the 't' tests are significant at 0.05 level.

Table 3: The Table Showing Mean, Standard Deviation and 't' Score between Top Level and Middle Level Employees Regarding Downward Communication

Level of Employees	Mean			Standard Deviation			Degree of freedom	't' Score
	Top	Middle	Lower	Top	Middle	Lower		
Top and Middle	3.67	2.82	--	1.63	1.07	--	134	3.19*
Top and Lower	3.67	--	3.02	1.63	--	1.11	102	2.45*
Middle and Lower	--	2.82	3.02	--	1.07	1.11	182	1.07*

\* = P < 0.05

The above table is related to downward communication between Top-Middle, Top-Lower and Middle-Lower level of employees. The obtained 't' scores are 3.19, 2.45, 1.07 are significant at 0.05 level of confidence. It indicates that there are differences between Top, Middle and Lower level managers regarding downward communication in the factory.

It means the downward communication differences exist in the organisation. The communication differences are related with understanding the intention of communication, improving working condition, difficulty in getting information from superiors and advice regarding job-related matters.

Table 4: The Table Showing Mean Differences between Various Levels

Level of Employees	Mean			Mean Difference
	Top	Middle	Lower	
Top and Middle	3.67	2.82	--	0.85
Top and Lower	3.67	--	3.02	0.65
Middle and Lower	--	2.82	3.02	0.20

To make further analysis, the mean score of Top Middle and Lower level executives have been tabulated, which is projected in Table No.4. It indicates that the mean value of Top level staff regarding downward communication is 3.67, whereas Middle level mean value is 2.82 and Lower level employees are 3.02. It indicates that downward communication is better projected among the Top and Middle level employees as compared to the Lower level employees.

Table 5: The Table Showing Mean, Standard Deviation and 't' Score between Various Levels of Employees Regarding Inter-Departmental Communication

Level of Employees	Mean			Standard Deviation			Degree of freedom	't' Score
	Top	Middle	Lower	Top	Middle	Lower		
Top and Middle	3.21	2.86	--	1.61	1.21	--	134	1.26*
Top and Lower	3.21	--	2.56	1.61	--	0.78	102	2.98*
Middle and Lower	--	2.86	2.56	--	1.21	0.78	182	1.86*

\* = P < 0.05

Table No. 5 is related to inter-departmental communication between Top, Middle and Lower levels employees. The obtained 't' scores are significant at 0.05 level of confidence. It means the inter-departmental communication differs at different levels in the factory. It basically related with routine work type of communication.

Table 6: The Table Showings Mean Differences between Various Levels

Level of Employees	Mean			Mean Difference
	Top	Middle	Lower	
Top and Middle	3.21	2.86	--	0.36
Top and Lower	3.21	--	2.56	0.55
Middle and Lower	--	2.86	2.56	0.30

The above table is related to inter-departmental communication. The mean scores of top level and middle level and lower executives have been tabulated and are shown in the above table. It indicates that the mean

value of top level employees regarding upward communication is 3.21, whereas Middle level value is 2.86 and lower level employees mean value is 2.56. It indicates that upward communication is better projected among the top level and middle level employees as compared to the lower level employees.

Table 7: The Table Showing Mean Standard Deviation and 't' Score between Various Levels of Employees Regarding Communication Barriers

Level of Employees	Mean			Standard Deviation			Degree of freedom	't' Score
	Top	Middle	Lower	Top	Middle	Lower		
Top and Middle	4.03	2.54	--	1.07	1.04	--	134	6.64*
Top and Lower	4.03	--	3.22	1.07	--	1.05	102	3.59*
Middle and Lower	--	2.54	3.22	--	1.04	1.05	182	4.34*

\* = P < 0.05

Table No.7 is related to communication barriers between top level and middle level, Top level and lower level, Middle level and level lower level employees. The obtained 't' scores of top to lower and middle to lower are significant at 0.05 level of confidence. It indicates that there is difference between top and middle level employees regarding communication barriers.

Table 8: the Table Showing Mean and Mean Difference between Various Departments

Level of Employees	Mean			Mean Difference
	Top	Middle	Lower	
Top and Middle	4.03	2.54	--	0.35
Top and Lower	4.03	--	3.22	0.55
Middle and Lower	--	2.54	3.22	0.30

Table No. 8 shows that the communication barriers are better projected among the lower level employees as compared to those in the middle level. The mean value of middle level employees is 2.54, whereas the lower level mean value is 3.22. It indicates middle level employees communication barriers are better than lower level employees. Also the mean value of top level is 4.03 whereas middle level is 2.54. The differences show that the communication barriers are more than those faced by the middle level employees.

The hypothesis is tested "Communication barriers exist between different levels in the organisation." This hypothesis is accepted because the 't' score is significant at 0.05 level.

Table 9: The Table Showing Mean Standard Deviation and 't' Score BETWEEN Various Levels of Employees Regarding Combine Factors of Effective Communication System

Level of Employees	Mean			Standard Deviation			Degree of freedom	't' Score
	Top	Middle	Lower	Top	Middle	Lower		
Top and Middle	3.52	2.65	--	1.13	0.88	--	134	1.94*
Top and Lower	3.52	--	2.60	1.13	--	0.98	102	6.52*
Middle and Lower	--	2.65	2.60	--	0.88	0.98	182	0.56*

\* = P < 0.05



The above table shows combined factors of effective communication system between Top to Middle and Lower, and Middle to Lower levels of employees. The obtained 't' scores of Top to Middle and Lower levels are significant at 0.05 level of confidence. It means the inter-departmental communication is related to working job related aspects. The obtained 't' score 0.56 is not significant at 0.05 level of confidence. It indicates that there is no difference between middle and lower level employees regarding inter-departmental communication.

Table 10: The Table Showing mean and Mean Difference between Various Departments

Level of Employees	Mean			Mean Difference
	Top	Middle	Lower	
Top and Middle	3.52	2.65	--	0.87
Top and Lower	3.52	--	2.60	0.92
Middle and Lower	--	2.65	2.60	0.05

To make further analysis the mean score of Top, Middle and Lower executives have been tabulated, and are shown in Table No. 10. The mean value of Top level employees is 3.52, whereas Middle level is 2.65 and Lower level is 2.60. It indicates that Combine factors of effective communication system are better projected among the Top and Middle level employees as compared to the Lower level employees.

Table 11: The Table Showing order of Preference on Different Modes of Communication Ranked by Top, Middle And Lower Levels of Employees

Sr.	Modes of communication	Top Level		Middle Level		Lower Level	
		Mean Value	Rank	Mean Value	Rank	Mean Value	Rank
	Face to face communication	1.42	I	1.92	I	2.52	I
	Notice Board	8.28	IX	6.00	VII	3.15	II
	Conference	4.71	IV	4.37	III	4.31	III
	Daily News Bulletins	5.00	V	5.66	VI	5.31	V
	General Body Meeting	6.24	VII	7.55	VIII	5.68	VI
	Email	3.85	III	4.70	V	6.42	VII
	Telephone Talk	2.28	II	3.63	II	4.36	IV
	Hand Bills	5.85	VI	4.40	IV	7.00	VIII
	Monthly Bulletins	7.14	VIII	7.82	IX	7.78	IX
	Circulars	9.14	X	8.25	X	8.21	X

The above table indicates the preferences for communication mode of the Top, Middle and Lower levels of employees.

Sr.	Level of Employees	Rank Correlation Coefficient
1	Top to Middle Level	0.9030*
2	Top to Lower Level	0.5393*
3	Middle to Lower Level	0.6727*
* = P < 0.05		

The obtained rank correlation between Top to Middle level is 0.9030, which is significant at 0.05 levels. It means that there is a significant correlation between top and middle level employees, with respect to different modes of communication.

The same thing is true in between Top to Lower level (0.5393) and Middle to Lower level (0.6727). It indicates that all the levels in the organisation generally accept the modes of communication equally.

The hypothesis "The mode of communication preferences changes between different levels of the organizational structure." This hypothesis is accepted because all the Rank Correlation Co-efficient are significant at 0.05 level.

### Theoretical Implications

1. On the basis of empirical work the researchers would like to place suggestions:
2. On the basis of the obtained 't' score between top to middle, top to lower and middle to lower levels are 5.9, 10.43 and 3.46 respectively, which is significant at 0.05 levels of confidence. It means communication channel is not as free as it to be, therefore more openness in upward communication is required between the levels of management.
3. It is seen in the downward communication table, the flow of organizational communication is from top-middle-lower levels have significant differences. Hence the effective measures such as close contacts, occasional meets and regular discussions should be adopted to bring out the continuous and free flow of communication.
4. In the organisation in inter-departmental communication system there are considerable differences between various levels of management. Steps should be taken to maintain the proper flow of message from top to middle and lower levels in the factory.
5. Department wise meetings should be conducted twice in a month.
6. Important instructions should be passed in writing only.

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## Study on -Trends in Tourism Management with Reference to Agro-Tourism Business in Maharashtra

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**Abstract:** Agriculture is the backbone of Indian Economy. Around 85 percent of the population is directly or indirectly dependent on Agriculture and almost 26 percent of India's GDP comes from Agriculture. 90 million farmers are dwelling in 6.25 lac villages producing more than 200 MT of food grains feeding the country. However, agricultural productivity has been low for several decades and investment in the agricultural sector is stagnant. Farmers in village are engaged in farming activity through out the year. Their income from farm produce depend on good monsoon, good harvest and good marketing. It is experienced that the income from agriculture farming is only once or twice in the year, but the expenses are on weekly basis, it is very difficult for the farmer to sustain throughout the year, since the income is not sufficient. To make farming sustainable and feasible there was a urgent need of some experiment in additon to the traditional farming. Hence, adding additional income generating activities to existing agriculture would certainly increase contribution of agriculture in the national GDP. Serious efforts need to be made in this direction and Agri-Tourism is one such activity.

Today, urban children's world is restricted in the close doors of a school, home and centre around television, video game, computer, fast food and internet. Living in urban area, they have not enjoyed the beauty of mother nature. Agri-Tourism Development Corporation, did the research in 2004, and found that 43% of urban population did not have any relative left in the village. 97% of urban population wants to experience the rustic beauty of village life. This gives an opportunity to develop tourism centre in the village based on agriculture activities. There was urgent need to bring all these agri and rural tourism co-operatives under one umbrella and to have apex body that will guide, train, build capacity, promote, sell and market agri and rural tourism concept in urban cities , at the same time work in tendem with government departments to develop agri and rural tourism as the most desired supplimentary income and employment generation source to the agriculture communities in the state of the Maharashtra.

**Keywords:** Indian Economic Growth, Rural Prosperity, Growth of agriculture, Poverty reduction, Rural Society

### INTRODUCTION

Rural tourism development in areas not traditionally considered tourism destinations per se occurs incrementally; either as a result of entrepreneurs developing businesses that attract visitors or as a result of visitors discovering the area and thereby generating a demand for tourism related activities to which local entrepreneurs respond. The development of tourism in a rural area is not simply a matter of matching tourist demands with local product supply but a matter of evaluating local suitability and acceptability.

## **The Indian Agriculture and Tourism Industry Scenario**

India is known as "Land of villages". More than 77 crore farmers live in 5.5 lakhs of village (2001). Agriculture contributed about 18.5% of the national income (2007-08) as compared to a high 50% in 1950. 85% of population of India still depends on Agriculture hence Agriculture is not mere business, but is still the "True Culture of India".

## **Tourism Potential in Maharashtra**

Maharashtra is the third largest state of India, both in area and population. It is located on the West Coast of India with a 720 km long coastline along the lush green Konkan region of Maharashtra, with its dense forests is home to several wild life sanctuaries and nature parks. Maharashtra abounds in numerous tourist attractions ranging from ancient cave, temples, unspoiled beaches, ancient forts and monuments, forest and wild life unique hill stations, pilgrimage centres, a rich tradition of festivals, art and culture. The tourism market in Maharashtra is estimated to be around 250 million domestic tourists in 2011.

## **Objectives of the Study**

With the growing importance of Agri-tourism , how to promote tourism by:

1. Examines the key issues involved in the development of Agri-tourism in India
2. The challenges faced by Agri- tourism industry
3. Suggest recommendations for the success of this industry

The Agri-tourism industry being a very vast subject and also considering the several diversities of the Indian sub-continent, it was physically not possible to study the Agri-tourism market for the whole country.

## **Research Methodology**

The research methodology involved both the desk research and the field research which was widely used to understand the concept of Agri tourism and the various aspects that are involved in the successful development of Agri tourism.

For the field research, a questionnaire was used comprising of both open-ended questions as well as close ended questions. The sample size used for the study was 100. The sample was selected in a random manner and the respondents were personally interviewed by the authors. Additionally discussions were also held with the officials of the district and other taluka levels to understand the government policies etc. The subject being vast, we have limited the study to the project at Satara District in Maharashtra.

## **DEFINING RURAL TOURISM**

The definition of rural tourism has been the subject of many debates in the literature without arriving at any firm consensus (Pearce 1989; Bramwell 1994; Seaton et al. 1994). First of all, rural areas where rural tourism occurs are difficult to define since criteria used by different nations vary enormously; secondly, not all tourism which takes place in rural areas is strictly "rural" – it can be urban in form, and merely be located in a rural area; thirdly, different forms of rural tourism have developed in different regions and hence it is hard to find characteristics that are common to all of the countries; fourthly rural areas are in a complex process of change due to the impact of global markets, communications and telecommu-

nications that have changed market conditions and orientations for traditional products. Besides, though some rural areas have experienced depopulation there are many of them that are experiencing an inflow of people to retire or to develop new non-traditional businesses.

- Rural tourism and agri-tourism (each of these categories is a derivative of the subsequent one, like concentric circles).
- Tourism is termed rural when the rural culture is a key component of the product on offer. Depending on the primary activity component of this product, the terms used are agri-tourism, green tourism, gastronomic, equestrian, nautical, hunting, adventure, historical/ cultural tourism and so on.

Tourism activities revolving around large holiday home developments, big hotels, golf courses are difficult to integrate into the concept of rural tourism. The distinguishing feature of tourism products in rural tourism is the wish to give visitors personalized contact, a taste of the physical and human environment of the villages and, as far as possible, allows them to participate in the activities, traditions and lifestyles of local people. There is also a strong cultural and educational element in this form of leisure tourism. Hence a rural tourist destination could be defined as a wider area dominated by the natural and/or farmed/forested environments where specific natural, economic and socio-cultural features, such as tradition, local cooperation, trust and reciprocity are harmoniously embedded and as such create a unique tourist product that is predominantly small scaled, nature friendly, "ethno-cultured", in other words 'sustainable'. Since tourism is predominantly a consumer activity, most of the studies are demand driven, concentrated on the visitors and their needs and motivation. Hence the motives attracting people to the villages are seen as a reflection of a growing interest in the outdoors, and a number of other general trends of tourist motivation.

The attractiveness of rural areas for tourism and recreation can first be associated with the image of rurality. Here rurality is closely related to the traditional and romantic idea of the "good old days" pure and simple lifestyle, intact nature and perfect integration of man in his natural environment. Thus nostalgia of the origins, the need for recuperation of the lost link with nature and the basics of life in an increasingly complex, highly organized, anonymous, congested, stressful urban and inhumane surrounding constitutes the principal attraction of rural area (Kastenholz, Davis, Paul 1999). The importance of rural tourism as a part of the overall tourism market depends on each country's recreation/tourism resources, infrastructure image, market access and the presence of other types of tourism products. Even if rural tourism may be minor in relation to the overall tourism market of many countries its importance to the development of specific rural areas may be critical. Thus, the multiplier effect is often more impacting in rural areas where the entire rural lifestyle is looked for a main attraction. Rural tourism includes:

1. **Agri-Tourism:** Tourism on the farms enables farmers to diversify their activities while enhancing the value of their products and property. Farm tourism also helps to reconcile farming interests and environmental protection through integrated land management in which farmers continue to play a key role. Tourists who choose farm accommodation rather than other kinds of accommodation facilities look for genuine rural atmosphere where they can share intimacy of the household they live in, learn traditional crafts and skills with their hosts, make

friends which is a quality, modern times have almost forgotten and above all enjoy homemade food and drinks. Some specific food labels can help consumers establish a local produce and can be used as a selling point to tourist who want to taste home grown quality food and drink.

2. **Heritage and Cultural Tourism** in rural areas comes in a wide range of forms most of which are unique to an individual local and a valuable component of the rural tourism product. Heritage and cultural tourism includes temples, rural buildings but may be extended to local features of interest including war remnants, monuments to famous literary, artistic or scientific people, historic remains, archeological sites, traditional parkland etc.
3. **Eco Tourism:** Many tourists visit rural areas for the purpose of bird and animal watching and learning about local flora and fauna. Rural tourist destination as a product is definitely very fragile in ecological, social and cultural sense. Its development requires very specific approach that could help it remain sustainable in the long term.

### **Rural Tourist Destination – A Product**

There are some critical factors responsible in the evaluation and development of rural tourism as a product. Some of these are –

- Changes in the preferences and needs of visitors.
- Destination of the natural and manmade environment.
- Change or disappearance of those attractions, which brought tourists to the area.
- Identification of potential consumer.
- Understanding the rural tourists buying behaviour.

To be competitive rural tourism destination must possess basic tourist requirements

- Such as hygienic accommodation and catering.
- It should be connected with the farm accommodation.

Agri Tourism is defined as travel, which combines agricultural or rural settings with products of agricultural operations all within a tourism experience. The product can be "experience itself". Agritourism can be defined as "A range of activities, services and amenities provided by farmers and rural in Klaze, 1994). Status of Agri-Tourism Internationally with specific focus on Europe Most of the European countries pay lots of attention to rural tourism. The growth of rural tourism is difficult to quantify because few countries collect statistics in a way, which separates purely rural from other forms of tourism. The concept of Agri-Tourism developed in 80's in Europe, the participating farms have doubled in countries like Italy, the United Kingdom, and France. The number of agri-tourism accommodation units exceeds 600.00. In the middle of the 90s, 12 European countries (Belgium, Denmark, Greece, Netherlands, Portugal, Spain, Ireland, Great Britain, Italy, Austria, France and Germany had more than 100.00 farm enterprises involve with different tourism activities. It is obvious that most of the European countries have positive attitude towards rural tourism development because of the advantages this strategy has on rural areas and their overall development. (Refer Annexure D). Agritourism in India: Innovative Income generating activity for Enterprising Farmers Agriculture is backbone of Indian economy. This sector's contribution towards GDP is decreasing and farmers are

finding it difficult to carry the agricultural activities without an additional income. Whereas tourism is termed as an instrument for employment generation, poverty alleviation and development, Agri-Tourism brings in together the declining and booming sector.

### Advantages of Agri-Tourism

1. It brings major primary sector Agriculture closer to major service sector tourism expected to create win-win situation for both the sectors.
2. Tourism sector has the potential to enlarge.
3. Agriculture sector has the capacity to absorb expansion in Tourism sector.

### Scope of Agri-Tourism

1. **An inexpensive gateway:** The cost of food, accommodation, recreation and travel and tourism is low, widening the scope of tourism.
2. **Curiosity for the urban about farming industry and life style:** Agri-tourism, which involves villages and agriculture, has the capacity to satisfy the curiosity of the urban segment by providing scope for re-discovering the rural life, which is rich in diversity.
3. **Strong family oriented recreational activities:** through rural games, festivals, food, dress.
4. **Finding solace with nature friendly life style:** Peace and tranquility are in-built in agri-tourism.
5. **Nostalgia for their roots on the farm:** For tourists it is like returning back to their roots.
6. **Educational value of Agri-Tourism** spreading knowledge about Agriculture science where urban students are moving with the pace of technology.

### Basic Principles of Agri-Tourism

1. Have something for visitors to see: Animals, birds, farms, culture of the village, dress and festivals.
2. Have something for visitors to do: Participating in agricultural operations, riding camel, buffalo, cooking and participating in the rural games i.e. gillidanda, gotti (marble etc.).
3. Have something for visitors to buy: Rural crafts, dress materials, farm gate fresh processed food are few items.

Three important factors, which contribute to the success of agri-tourism as service: Detailed discussions with various knowledgeable persons indicated the following three factors:

1. **Farmer:** Majority cases farmer is less educated, less exposed and innocent for him outsider as guest is (like god) and is treated wholeheartedly without any commercial motive. He entertains the guest while entertaining himself in the process he fills all the service gaps. This makes him a natural businessman.
2. **Village:** Village being located far from the city lacks urban facilities but is rich in natural resources. The investment is the natural resources itself.
3. **Agriculture field:** Each field is unique which adds to the attraction of the urban population. This is the incentive wealth of the rural people.

The discussions also revealed that for the success of any agri-tourism venture, the following factors play a major role:

1. Connectivity
2. Attractions
3. Accommodation
4. Outdoor recreational activities
5. Entertainment programs
6. Meals for tourists
7. Safety and security aspects
8. Medical facilities
9. Risk and liability in case of accidents

### **ATTRACTIONS**

Agri Tourism activities include farm tours; tractor and bullock cart rides; grapes, mangoes, and other horticulture farms and by-product farms; birds and animal farms; There are lot of things the visitors or guests can enjoy in this agri tourism unit/farm.

The added attractions here are the poultry farm; dairy farm; goat farm; and most visited point silk processing unit. The visitors here can also visit the gram panchayat village office and school; village fairs and markets, near by Jaggery making unit; Emu bird Farm; Sugar factory; Taluka Milk Collection Centres and some of the oldest religious temples and also Museum.

### **ACCOMMODATIONS**

Most of the agri tourism industries provide over night stay arrangement is at the farm itself. One Room is allotted to each Family. The accommodation facilities are basic but very hygienic neat and clean. Two toilets (one western style) (and one bathroom attached to block of every three rooms, this arrangement is purposely kept to experience the joint family atmosphere. The Solar Water heaters at the rooftop are fitted to provide the running hot water for bathing in the morning. There is also the facility of dormitory hall, wherein more than 250 people can easily accommodate.

### **Outdoor Recreational Activities**

The outdoor recreational activities for children and adults during daytime are farm tours and agricultural education programs, how to grow sugarcane, grapes, pomegranate, guava, watermelon, other fruits and what are the food values of each fruits, how to take care of the cattle, nature education programs, domestic animals and emu bird farms visits and education of the different trees, demonstrations such as goat and cow milking, honey making, silk making, jaggery making, rural games that they can play as gotya; bovhra; surparanbhya; vittidandu; Buffalo ride; bullock cart ride; tractor rides; watching domestic animals; clay molding; painting the nature scenery; tree climbing or simply run with the cycle tree.



### **Entertainment Programs**

The Evenings are generally fun filled, star gazing activity and the rural Maharashtra folk dances and folk song programs is organized. Bonfire/campfire during winter seasons, family games, children games, and lots of fun filled programs.

### **Meals for Tourists**

The food served is pure vegetarian Maharashtrian style, for breakfast Poha, Upma, or Shira, for the lunch usually jawar or bajra bhakri, chapattis, rice, varan, pickle, papad, kurdaya, bhaji, thecha, wangeche bharit, jhunka/pitla, any fresh green vegetable sabji, matki/ chawli usual shabji, etc.

### **Safety and Security Aspects**

The agri-tourism unit at Malegaon is very safe and secure for all the guests and visitors, there is only one main entrance gate, during daytime almost 400 people work in the farm, plus the entire area of 110 acres is barbed wire fenced and over and above there is adequate 24 hours security persons at the main entrance gate and for the entire area.

## **DISCUSSIONS**

Based upon a detailed analysis of the case, the following positive outcomes can be highlighted:

1. Lives of the farmers changed considerably with the agri-tourism destination venture.
2. The farmers today have developed themselves into entrepreneurs.
3. They have learned soft skills to handle customer service and to market their product.
4. The entire agri-tourism venture has raised the self-esteem of the farmers.
5. The agri-tourism venture has a positive effect among the community from a drought prone area where the suicide cases were increasing.
6. Today the agri-tourism destination has more than 4,300 tourists from urban cities every year from 2005. Besides the year end of 2006 also saw Korean companies coming to enjoy the destination.
7. Efficient utilization of the existing natural resources. A careful analysis and observation of the

Case Study brings to light certain issues and Challenges which need to be addressed by any agri-tourism development body. These are:

1. Danger of over exploitation of natural resources.
2. Uncertainty of demand for agri-tourism especially in the light of the fact that other types tourism are becoming popular.
3. Providing and maintaining hygienic conditions in the agri-tourism destination.
4. Danger to Plant life in the form of infectious diseases.
5. Lack of sufficient government support.
6. Training the farmers.
7. Large scale power-cuts.

8. Security aspects.
9. Accessibility and approachability of the area with respect to basic facilities like (medical facilities, transport facilities, availability of water etc.)
10. Marketing agri-tourism as a product effectively and consistently.

The study indicated that the critical factors involved in the successful development of the rural tourism industry are:

1. Establishment of a rural environment especially an Indian rural environment. Many of the tourists wanted to establish their roots in India.
2. The setting of the destination should indicate a rural bias including cultures and artifacts.
3. Hygienic accommodation and catering is a must.
4. It should be connected with the farm accommodation.
5. Attitude of the Central and the State Governments especially with respect to the seed money required, subsidies required or even tax exemptions. This aspect is very important as can be seen through the tax exemptions etc given in European countries. The success or failure of any tourism in the ultimate analysis depends on the involvement of the local community and also the deep routed networking requirements not only at the local levels but also the state levels. This networking is one of the key issues in making rural tourism sustainable in the long run.

## **SUGGESTIONS AND RECOMMENDATIONS**

For any agri-tourism venture to be successful some important pre-conditions need to be fulfilled. These are:

1. A complete tourism package can be provided through initiation by the local government bodies of activities such as beautification campaigns, sponsorship of special events that tie in with local tourist attractions and participation of all businesses in the area.
2. Good community leadership; Successful tourism promotion and development requires good leadership by open minded and enthusiastic persons from local government, community groups, the business community and non-profit organisations such as chamber of commerce and convention and visitor bureaus.
3. Support and participation of local government; The role of local government is especially important in the following areas; funding for tourism development and promotion, creating and maintenance of infrastructure necessary for tourism, zoning and maintenance of the community so that it looks clean and appealing to tourists and educational support for farmers.
4. Sufficient funds for tourism development; Most of the rural communities depend on public funds that are very often insufficient to cover all the needs of the rural community; private funds are something that most often can't be reached since local people do not have sufficient incomes by themselves to invest; therefore it is very important to explore for other sources of funding and assistance.
5. Strategic planning; Planning is fundamental for the efficient and effective use of resources and funds, especially in rural areas that have few funds and resources. Good planning for

tourism development and promotion can help develop and support local businesses connected to tourism. Planning for tourism development should be integrated into a community's overall economic strategy because of the interdependence of the community and key aspects of tourism development and promotion. Hence, planning for tourism requires the involvement of various stakeholders in the community.

6. Coordination and cooperation between businesspersons and local leadership; for tourism development and planning to work, coordination and cooperation between local government and entrepreneurs is crucial. While strength of rural communities is their strong personnel networks, coordination and cooperation between local government and the business community do not always occur easily, if at all.
7. Coordination and cooperation between rural tourism entrepreneurs; Tourism requires different types of businesses to work together because, by its nature; tourism has intertwined relations between different types of business such as shops, accommodation facilities, restaurants and tourist attractions. They may create different types of networks, both formal and informal. Tourism network allows for a standardized, yet high quality, business management, which small enterprises lack. Strategic planning and tactical decisions such as pricing, product differentiation and yield management can be handled much better by a qualified management. A tourism network can substantially improve small tourism business performance by transforming their sporadically scattered products into a one-stop-shop selling a wide variety of functionally interrelated tourism products.
8. Information and technical assistance for tourism development and promotion; Different types of information for tourism development and promotion are especially important to agri-tourism development because small communities usually cannot afford to hire experts. To this end the role of the above explained networks is also of the utmost importance.
9. Widespread community support for tourism; Community support for tourism development and the attitudes and hospitality of local tourism workers are important for successful tourism. It is obvious that management and marketing of tourism often require a community effort because of the nature of tourism; the community as a whole and its image must be marketed, not just one attraction.

## CONCLUSION

Development of agri-tourism in Maharashtra rural areas is still in its nascent stage. Maharashtra has perfect opportunities to enhance its agri-tourism offer and it also represents one of the few states, which unifies different climates, natural characteristics and socio-cultural entities. Though there has not been much initiative by the state government for agri-tourism development, it has been successfully initiated through the farmers' efforts.

For the Agri-tourism to succeed, it is imperative that the tourists must have:

1. Something to see: Animals, birds, farms, culture of the village, dress and festivals.
2. Something to do: Participating in agricultural operations, riding camel, buffalo, cooking and participating in the rural games i.e. gillidanda, gotti (marble etc.).
3. Something to buy: Rural crafts, dress materials, farm gate fresh processed food are few items.

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## Recruitment Tools – Beginning of Talent Management

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**Abstract:** In the era, where global business is talk of town, every employer has to be ready for meeting the future business demands, which can be efficiently handled through talent management. This paper is highlighting the importance of talent management in Hotel industry. The Hotel industry is one of the fastest growing sectors of the economy. The hotel industry is a multi-billion dollar and growing enterprise. Talent management refers to integration of new workers, developing and retaining existing workers as well as attracting experienced and qualified persons to work for organization. Talent management deals with the purpose to ensure that the performance is discussed, recognized, rewarded and understood appropriately. This study empirically examines the utility of Talent Management and its effectiveness. The research focuses on obtaining and developing talent ensures that staffs have the tools, support and resources necessary to perform well that they are properly motivated and compensated. The primary data on Talent Management is collected from managers working in particular hotels through structured schedule and observation. This study would be beneficial for hotel industry in semi-urban area for life time purpose and through study they can create a dynamic workforce that can help hotel industry to achieve high performance.

**Keywords:** Talent management, Hotel industry, qualified persons, Utility of talent management, Integration of new workers.

### INTRODUCTION

One of the fastest growing sectors of economy is hotel industry. Hotel industry is exciting, never boring and offer unlimited opportunities. The hotel industry diverse enough for people to work in different areas of interest and still be employed within the hotel industry. Talent is nothing but a person or people with natural ability for being good at particular activity. It is important to use some techniques to retain such talent in organization longer period of time. Talent management is that technique which manages the ability, competency and power of employees within an organization. Talent management refers to skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives. The study of talent management would beneficial to hotel industry for attracting and retaining profitable employees to face global challenges.

### Review of Literature

(Dr. Muhamamd Aslam Khan et.al 2001) studied Schematizing Talent Management in Islamabad, Pakistan. They focused on empirical study of talent management with employee attitudinal outcomes and organizational effectiveness. The study reveals that talent management has positive significant

influence on employee attitudinal outcomes and organizational effectiveness e.g. employee work engagement, turnover avoidance, and value addition. Research plays a distinctive role in conceptualizing talent management endeavors and their impacts on employee work engagement, turnover avoidance, and value addition.

(P.B.S. Kumar,2000) studies Talent management on top companies like Infosys, Wipro, Satyam, HCL Technologies, and i-Flex Solutions. He has opined that the above mentioned companies are earning huge profit and they provide great work environment to their people. Good salary, perks, overseas assignments, challenging and highly competitive work environment and a great future. Statistical results show that these top companies' faces problem regarding retaining best talent.

(Jackie Ford et.al 2010) studies Talent management and development. The study focused on Companies who are about to be engaged in a war for senior executive talent. In addition, study reveals that today's generation of managers are believed to be more mobile, more demanding and to have greater expectations of their careers than previous generations. Recruiting and, perhaps more importantly, retaining the best of this generation is therefore assumed to be trickier than in the past.

(Margaret Deerv et.al., 2008) study Talent management, work-life balance and retention strategies. Empirical study relating to retention of good employees and the role that work-life balance (WLB) issues have in an employee's decision to stay or leave an organization. The paper provides an overview of the key employee turnover literature within the hospitality and tourism industry for those academics researching in this area. The key findings emerging from this literature review focus on job attitudes such as job satisfaction and organizational commitment, personal attributes such as positive and negative affectivity.

(Josh Bersin et.al., May, 2006) studied Education and talent management: implications for the hospitality industry. The aim of this paper is to explore one of the biggest issues and challenges faced by hospitality education and the hospitality industry: that of how to attract and retain a critical group of talented people.

Literature highlights the key studies that have investigated the nature of hospitality employment amongst new recruits in the hospitality industry.

The paper argues that educators require being more fully aware of the consequences of reducing the practical and vocational nature of programs.

### **Management Problem**

Organization always gone through crucial problems of labor turnover, less commitment of employees towards organization, wrong fit of employees with wrong place. Talent management is perfect solution for these problems. Talent management is beneficial to both organization and employees. Talent management gives better linkage between individuals' efforts and business goals and it starts with effective Recruitment tools. Hotel industry is most untouched area for the Talent management study. So present research is dealing with the Recruitment strategy which used for Talent management with respect to hotel industry for retaining best employees in hotels.

### **Objectives of Study**

1. To study tools used for Recruitment in talent management.
2. To assess the tools prefer for Recruitment under Talent management.

### **Scope of the Study**

Satara is one of emerging tourist place, in which hotel industry has large scope in future so, geographical scope is confined to Satara city. Conceptual scope is confined to conceptual background of Talent management. It includes Talent management, Hotel industry, qualified persons, Utility of talent management, Integration of new workers. The data is analyzed by using instruments like tables, weighted average method, rank etc.

## **RESEARCH METHODOLOGY**

### **Type of Research**

Present research is descriptive in nature.

### **Data Required**

Primary data contains parameters that concern industry used for recruiting and retaining talent and actual procedure that industry applied for talent management. Secondary data contains conceptual background of talent management and benefits of talent management, parameters of talent management .

### **Data Source**

Primary data is collected through schedules. It consists of opinion of managers about talent management and its utility. The secondary data is include definition and meaning of basic concept. The source of secondary data is various websites.

### **Research Instruments**

Researcher has collected all required data through survey method and schedule.

### **Sampling Technique**

Total size of population is 26 and Researcher has taken 12 samples of managers as a sample size. Researcher has used random sampling method for research study.

### **Data Analysis**

The data after collection is processed and analyzed in accordance with the purpose of research. Various statistical tools are used for analysis like weighted average, rank etc.

## **CONCEPT OF TALENT MANAGEMENT**

Talent management is the process of attracting, selecting, training, developing, and promoting employees throughout the institution. Talent management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a particular job

profile and any other position will cause discomfort. It is the job of the Management, particularly the HR Department, to place candidates with prudence and caution. A wrong fit will result in further hiring, re-training and other wasteful activities. Talent Management is beneficial to both the organization and the employees. Talent signals an ability to learn and develop in the face of new challenges. Talent is about future potential rather than past track record. So talent tends to be measured in terms of having certain attributes, such as a willingness to take risks and learn from mistakes, a reasonable (but not too high) level of ambition and competitiveness, the ability to focus on 'big picture' issues, and an awareness of their own strengths, limitations and impact on others. Several talent management processes need to be in place on a strategic level in order ensure its success. Such processes/strategies include talent identification, recruitment & assessment, competency management, performance management, career development, teaching management, compensation, succession planning etc.

## **IMPORTANCE OF TALENT MANAGEMENT**

### **Globalization**

Now for any jobseeker the whole world is the potential place to find employment. One can know the opportunities available in any part of the world easily and the number of talent seekers has also increased.

### **Increased Competition**

Increased competition in the market place has necessitated the need for consistently good performance on the side of organizations. These have made the companies to put in all efforts to hire and retain the best talent in the respective field of operation.

### **Increasing Knowledge**

The knowledge era has necessitated the retaining of those talents which have the ability to assimilate new technologies and knowledge, which are growing at a pace never seen before.

## **BENEFITS OF TALENT MANAGEMENT**

### **For an Organization**

Cost cutting: One experienced & skilled employee can replace instead of two or more employees. Organization can save hundreds of thousands of dollars.

### **Maximum Output**

Organization can make maximum output in minimum resources.

### **Time Saving Technique**

It is a time saving technique. Because for every job a skilled person can place. It's helpful to complete job in minimum time

### **Perfection Increase**

Due to skilled employee Perfection in work is increase. There is low probability of mistakes.



## **FOR AN EMPLOYEE**

### **Recruitment**

It's ensuring that right people are attracted to the organization, due to providing exposure for their skills.

### **Retention**

Developing and implementing practices that reward and support employees.

### **Employee Development**

Ensuring continuous informal and formal learning and development.

Leadership and "high potential employee" development

Specific development programs for existing and future leaders.

### **Performance Management**

Specific processes that nurture and support performance, including feedback/measurement.

### **Workforce Planning**

Planning for business and general changes, including the older workforce and current/future skills shortages.

### **Culture**

Development of a positive, progressive and high performance "way of operating".

## **HOW TO MANAGE THE TALENT?**

It is now proved beyond doubt that, in the era of technology and knowledge, talent is in the driving seat. One who possesses it dictates. Not he who pays for it. It is the demand of the time that business leaders elevate management of talent to a burning corporate priority. It is not a walk in the park for the talent market. Quality people are no longer available in plenty, easily replaceable and relatively inexpensive.

These are some of the measures that should be taken into account to hire and retain talent in the organization, to be efficient and competitive in this highly competitive world:

### **Hire the Right People**

Proper care must be taken while hiring the people itself. It would be beneficial for an organization to recruit young people and nurture them, than to substitute by hiring from other organizations. Questions to be asked at this stage are: Whether the person has the requisite skills needed for the job? Whether the person's values and goals match with those of organizations? In short, care must be taken to fit the right person to the right job.

### **Keep the Promises**

Good talent cannot be motivated by fake platitudes, half-truths and broken promises. Unfulfilled expectations can breed dissatisfaction among the employees and make them either leave the organization or work below their productive level. Promises made during the hiring stage must be kept to build loyalty among the employees, so that they are satisfied and work to their fullest capability.

### **Good Working Environment**

It has to be accepted by the organizations that highly talented persons make their own rules. They have to be provided with a democratic and a stimulating work environment. The organizational rules must be flexible enough to provide them with freedom to carry out their part of task to their liking, as long as the task is achieved. Opportunities should also be provided to the employees to achieve their personal goals.

### **Recognition of Merit**

It is highly motivating for any person if his talent is recognized and is suitably rewarded. One way is providing them with salary commensurate with their performance. Promotions and incentives based on performance are another way of doing it. Another way is by providing them with challenging projects. This will achieve two objectives — it makes employee feel that he is considered important (a highly motivating factor) and gets the work done in an efficient manner and brings out the best in the employee.

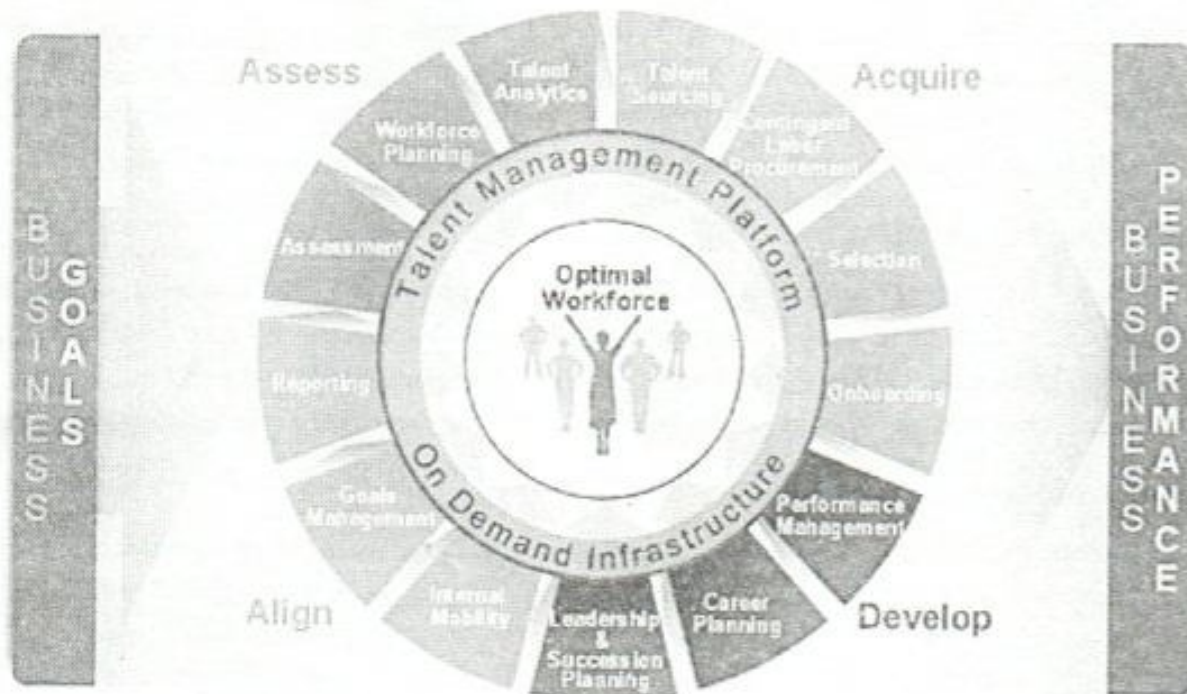
### **Providing Learning Opportunities**

Employees must be provided with continuous learning opportunities on and off work field through management development programs and distance learning programs. This will also benefit the organization in the form of highly talented workforce.

### **Shielding from High Work Pressure**

If an organization has to make the most of the available talent, they should be provided with adequate time to relax, so that they can did-stress themselves. It is very important to provide them with holidays and all-expenses-paid trips, so that they can come back refreshed to work and with increased energy. They must also be encouraged to pursue their interests which are also a good way of reducing work environment stress. Recreation clubs, entertain programs, fun activities within the work area will also reduce the work life stress of the employees and develop camaraderie among the workers and result in a good working environment.

## Talent Management – An Overview



Source: <http://www.google.co.in/search?tbm=isch&hl=en&source=hp&biw=1024&bih=634&q=talentmanagement&gbv=2&oq=talent&aq=2&aqi=g10&>

## DATA ANALYSIS AND INTERPRETATION

In the below table one column shows analysis of need of different tools which are needed by managers. And another column shows analysis of preference level in which it shows mostly preferred tools by managers. Following table shows opinion of managers on online recruitment.

Table 1: Online Recruitment

Sr.	Parameters	Need Analysis		Preference Level	
		Wt.avg.	Rank	Wt.avg.	Rank
	Online Recruitment				
1	Vertical Research	5.00	2	2.55	4
2	Direct Research	5.17	1	2.75	1
3	Social Networking	3.17	3	2.73	2
4	Online Database	2.67	5	0.33	5
5	Referral Programs	3.00	4	2.63	3

Source: Primary Data

The above table highlights opinion of managers about online recruitment. Managers are needed direct research for recruiting employees hence it secure 1<sup>st</sup> rank with 5.17 Weighted Average and Managers opines that online database for recruitment is not needed which secures 5<sup>th</sup> rank with 2.67 Weighted Average. Managers mostly prefer direct research for online recruitment & not at all prefer social networking as source for hiring employees. Following table shows opinion of managers on internal sources of recruitment.

Table 2: Sources of Recruitment (Internal)

Sr.	Parameters	Need Analysis		Preference Level	
		Wt.avg	Rank	Wt.avg	Rank
	Sources of Recruitment				
1	Transfer	4.33	2	2.53	2
2	Promotion	5.16	1	3.33	1
3	Demotion	3.83	4	1.67	5
4	Retired Employees	3.73	5	2.06	4
5	Retrenched Employees	4.16	3	2.30	3
6	Dependents of Deceased Employees	0.37	6	1.47	6

Source Primary Data

It is shown from above table that a manager uses internal sources of recruitment. Managers are needed promotion as internal source of recruitment with 5.16 weighted average and they are not needed dependents of deceased employees as recruiting source with 0.37 weighted average. Also managers mostly prefer sources like promotion for recruitment which get 1<sup>st</sup> rank. As well as not at all prefer dependents of deceased employee as recruitment source. Following table shows opinion of managers on sources of recruitment.

Table 3: Sources of Recruitment (External)

Sr.	Parameters	Need Analysis		Preference Level	
		Wt.avg	Rank	Wt.avg	Rank
	Sources Of Recruitment				
1	Press Advertisement	6.00	1	3.53	1
2	Educational. Institutes.	3.33	6	1.40	6
3	Placement Agency	5.34	2	2.86	2
4	Employment Exchange	4.45	4	2.00	4
5	Employee Referrals	5.33	3	2.78	3
6	Factory Gate	3.83	5	1.86	5

Source: Primary Data

It has been interpreted from the table that managers are needed press advt. as external sources of recruitment with 6.00 weighted averages which secure 1<sup>st</sup> rank and not required educational institute for recruitment with 3.33 weighted averages. Managers are mostly prefer press advt. for recruiting employees which gets 1<sup>st</sup> rank and not at all prefer educational institutes. Following table shows opinion of managers on social recruitment.

Table 4: Social Recruitment

Sr.	Parameters	Need Analysis		Preference Level	
		Wt.Avg	Rank	Wt.Avg	Rank
	Social Recruitment				
1	Google	0.33	1	0.53	1
2	Bing	-	0	0	-
3	YouTube	-	0	0	-
4	Face Book	-	0	0	-
5	Twitter	-	0	0	-

Source: Primary Data

It reveals from above table that managers are needed Google as social net working tools which received 1<sup>st</sup> rank with weighted average 0.33 and not needed face book, twitter, you-tube and Bing as recruitment tools. Managers are mostly prefer Google as social networking for recruitment with 0.53 weighted averages it gets 1<sup>st</sup> rank and not prefer face book and twitter as tool of social recruitment.

Table 5: Overall Need Analysis and Preference Analysis of Tools

Sr.	Parameters	Need Analysis		Preference Level	
		Wt.Avg.	Rank	Wt.Avg.	Rank
1.	Online Recruitment				
1	Vertical Research	5.00	6	2.55	7
2	Direct Research	5.17	4	2.75	5
3	Social Networking	3.17	14	1.50	14
4	Online Database	2.67	16	0.33	18
5.	Referral programs	3.00	15	2.63	6
2.	Sources Of Recruitment				
5	Transfer	4.33	8	2.53	8
6	Promotion	5.16	5	3.33	2
7	Demotion	3.83	10	1.67	13
8	Retired Employees	3.73	12	2.06	10
9	Retrenched Employees	4.16	9	2.30	9
10	Dependents of deceased employees	0.37	17	1.47	15
3.	Sources Of Recruitment				
11	Press Advertisement	6.00	1	3.53	1
12	Educational Institutes.	3.33	13	1.40	16
13	Placement Agency	5.34	2	2.86	3
14	Employment Exchange	4.45	7	2.00	11
15	Employee Referrals	5.33	3	2.78	4
16	Factory Gate	3.83	10	1.86	12
4.	Social Recruitment				
17	Google	0.33	18	0.53	17
18	Bing	-		0	-
19	YouTube	-		0	-
20	Face Book	-		0	-

(Source: Primary Data)

It has been highlighted from the above table that press advertisement, placement agency, employee referral, direct research and promotion these tools are needed and mostly preferred by managers as recruitment tools in talent management process. And not at all needed and preferred tools like social networking, online database, and dependents of deceased employees, referral programs, educational institutes and social recruitment as tools for recruitment.

## FINDINGS AND CONCLUSION

1. Following table shows tools which are mostly needed and preferred by managers in talent management.

Sr.	Parameters	Expected tools
1	Sources of Recruitment (External)	Press Advertisement
2	Sources of Recruitment (External)	Placement Agency
3	Sources of Recruitment (External)	Employee Referral
4	Online Recruitment	Direct Research
5	Sources of Recruitment (Internal)	Promotion

2 Following table shows tools which are not at all needed and not preferred by managers in talent management.

Sr.	Parameters	Expected tools
1	Online Recruitment	Social Networking
2	Online Recruitment	Online Database
3	Sources of Recruitment (Internal)	Dependents of Deceased Employees
4	Sources of Recruitment (External)	Educational Institutes
5	Social Recruitment	Bing, You-Tube, Twitter, Face Book

3. Following table shows which tools are expected to use in talent management process.

Sr.	Parameters	Expected tools
1	Online Recruitment	Online Database
2	Sources of Recruitment (Internal)	Dependents of Deceased Employees
3	Sources of Recruitment (External)	Educational Institutes
4	Social Recruitment	Face Book
5	Social Recruitment	Twitter

## CONCLUSION

Talent management is the key function to retain best talent in organization. It can conclude from the research that Talent Management is become essential in order to hire best talent from the market. As survival of hotel industry is totally depend on best employees. Managers are used different tools for hiring best talent from the market in which traditional tools are mostly used. And these tools are beneficial for getting talent from market. Therefore by using different tools of recruitment in talent management hotel industry can survive for longer period in the market.

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## Lesson from SKS Microfinance Crisis

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**Abstract:** The speedy rise and abrupt fall of SKS Microfinance holds lessons for the entire microfinance sector in India. The SKS crisis in 2010 led to debate regarding the ethical question of profiting lending to the poor. The unethical and illegal methods of loan recovery, which led to debtor's suicides, pushed the Andhra Pradesh Government to pass an Act to regulate microfinance business. The RBI has also resolved to bring the MFIs under its direct regulation as non-banking financial companies. Some other states are also thinking of framing legal norms for regulating MFIs. These measures from State Government and RBI are major challenges for microfinance sector in India. This paper is an attempt to trace the rapid rise and abrupt fall of SKS Microfinance and analyze the reasons for the sudden downturn. Both the rise and fall of SKS has thrown up lessons for the microcredit industry, these lessons are also highlighted in the paper.

**Keywords:** Microfinance, AP MFI bill, Swayam Krishi Sangam

### INTRODUCTION

SKS Microfinance, a brain child of promoter Vikram Akula, listed with much pomp and splendor in 2010, the first Microfinance Company to do so. But it soon lost its glory after AP government imposed a law on them asking MFIs not to pressurize villagers for payment. Business has been bad with SKS reporting losses for three quarters now. The stock has fallen to ₹ 175 from a high of ₹ 1,219 in Oct last year.

The paper tries to examine what went wrong with the institution and what lessons can be learnt from SKS crisis.

### SKS MICROFINANCE

Swayam Krishi Sangam (SKS) was founded by Dr. Vikram Akula in 1997 which launched its operation in 1998 in Andhra Pradesh. SKS had a mission to eradicate poverty. The core business of SKS was to distribute loan to the poor section of the society, particularly income generating loans so that borrowers can start the business and increase their incomes. It means loans were given to buy capital goods rather than consumer goods. SKS soon became the most high profile microfinance institution in the country. In July 2010, SKS listed its shares on BSE and NSE. The SKS IPO was a huge success as the issue was oversubscribed 13 times and raised ₹ 1300 crore even though the share price was fairly high at ₹ 985. But the success was not long lasting.



SKS' listing premium began to decline. Soon after that there was news of spate of suicides in AP and some of the victims had taken loans from SKS. Trouble for the sector began in October, when the government of Andhra Pradesh enacted an ordinance that sought to cap interest rates in the sector, outlaw coercive collection methods and move the collection cycle from weekly to monthly after a string of alleged borrower suicides. The state also mandated that microlenders seek the approval of the state government before issuing any fresh loans. In December the ordinance became law in the state. Also, there was a political opposition. Local politicians encouraged borrowers to stop the loan repayment. Trouble for the sector began in October, when the government of Andhra Pradesh enacted an ordinance that sought to cap interest rates in the sector, outlaw coercive collection methods and move the collection cycle from weekly to monthly after a string of alleged borrower suicides. The state also mandated that microlenders seek the approval of the state government before issuing any fresh loans. In December the ordinance became law in the state and then there was a crisis.

### REASONS FOR SKS CRISIS

The following were the probable reasons for SKS crisis:

- (1) SKS was transformed to for-profit institution. SKS floated IPO. The intention of Akula was to raise fresh capital which will help to further grow the business and to serve more poor people. But this was criticized on the ground that when you float an IPO, you assure investors that you can make money from poor, which gave a wrong message which was not acceptable.
- (2) Moreover, the idea of making profit from poor was not digestible to Indian psyche and politicians.
- (3) SKS tried to mix banking business of disbursing loans with trading and other set of services like insurance, providing training to poor, providing deworming tablets to children, etc. which to some extent has resulted in "Mission Drift".
- (4) Akula received a blow when media circulated stories about how borrowers were being harassed and also 30-40 suicides were being reported in AP. The situation took a political turn. The opposition party saw an opportunity to win vote bank of women and other backward castes. The political leader used MFI crisis for their own benefit.
- (5) There were political issues as well. SKS grew very rapidly. Due to this, politicians were embarrassed by the fact that the MFIs were disbursing much more money in their constituencies and getting closer to the masses than they could. Also, some bureaucrats felt it uncomfortable that SKS conducted its business without their blessings. Also, there came a stage when Akula himself thought of joining politics, which was a threat to the existing politicians.
- (6) CEO Gurumani was sacked and his exit was a shock for the market. And then there was a statement from Akula's former wife that one of the reasons of her divorce from Akula was because of certain activities at SKS Foundation which were illegal and unethical.
- (7) From Akula's former wife's statement and Gurumani's sudden sacking, it seems Akula practiced the autocratic management practices evident from the trouble he had in sharing power, sharing credit and sharing the glory for the accomplishment of the organization.

- (8) AP MFI Bill was issued on Oct 15, 2010. The MFI Bill makes registration compulsory for MFIs; also MFIs will have to specify their areas of operation, rate of interest and system of operation. It curbed the ability of MFIs to do the normal business.
- (9) Another set of accusation was that SKS was dumping money on the borrowers who were finding it difficult to repay and having to borrow from moneylenders at a high cost in order to stay in good standing with MFIs. This resulted in 'Multiple Borrowing' by the borrowers which forced few of them to commit suicides.

## **LESSONS FROM SKS CRISIS**

From SKS crisis, following lessons can be drawn:

- (1) According to late Mr. C.K.Prahlad, "Companies must concentrate on their core business". MFIs stepped into uni-dimensional financial service provision in which their core business of microfinance was side-tracked which resulted in a disaster.
- (2) Mixing business with politics is not acceptable to Indian psyche.
- (3) SKS operates in almost 19 districts across the country. The quality of control system suffers over long distances.
- (4) The operations of MFIs must be regulated by some regulatory authority as neither margins, nor interest rates, nor are the criteria for disbursing loans regulated.
- (5) SKS has been telling when we cut costs; we will pass on the benefits to the consumers in the form of lower interest rates. However, it achieved the first, but did not do the later. The extra normal profits must be used to reduce the interest rates.
- (6) MFIs have been able to charge high interest rates as there is no one to regulate them. Hence there is a need for regulatory mechanism for this sector as it is linked with banking system.
- (7) AP MFI bill is indirectly restricting growth of MFIs. Rather than restricting their growth, the regulations should make MFIs more accountable.

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## Commercialization of Microfinance in India

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**Abstract:** Microfinance was once viewed as an alternative for addressing the poverty issues in India but today it is viewed as a big investment opportunity. There has been a significant shift in the orientation of microfinance. Initially the MFIs were established in the form of not for profit organizations. But once these organizations discovered the magic of microfinance and started to grow, they moved from not for profit to for profit organization. The MFI business can be divided into three phases:

**Phase I:** Few people working in the development sector discovered the methodology of reaching the poor following the process followed by Grameen Bank.

**Phase II:** MFIs started to grow and moved into for profit organization.

**Phase III:** Mainstream Commercial institutions like L & T Finance, Equitas and the private equity players started looking at microfinance as an interesting business.

The paper looks at the growth and commercialization of microfinance in India. The paper further looks at the transformation process and its effects. The paper concludes that microfinance faces some huge challenges to comply its promises and argues for a more balanced approach towards microfinance practices.

**Keywords:** Microfinance

### INTRODUCTION

Microfinance in India can trace its origins back to the early 1970s when the Self Employed Women's Association ("SEWA") of the state of Gujarat formed an urban cooperative bank, called the Shri Mahila SEWA Sahakari Bank, with the objective of providing banking services to poor women employed in the unorganised sector in Ahmedabad City, Gujarat. The microfinance sector went on to evolve in the 1980s around the concept of SHGs, informal bodies that would provide their clients with much-needed savings and credit services. From humble beginnings, the sector has grown significantly over the years to become a multi-billion dollar industry, with bodies such as the Small Industries Development Bank of India and the National Bank for Agriculture and Rural Development devoting significant financial resources to microfinance. Today, the top five private sector MFIs reach more than 20 million clients in nearly every state in India and many Indian MFIs have been recognized as global leaders in the industry.

According to recent RBI estimates, there are over 450 million "unbanked people" in India, most of who live in rural areas. The term "unbanked" refers to people who have no access to formal financial

services, but rather must rely on either family, or informal providers of finance, such as the village moneylender. It is undisputed that access to finance is critical for enabling individuals and communities to climb out of poverty. It is also generally agreed that relying on the limited resources of village moneylenders exposes the poor to coercive lending practices, personal risks and high interest rates, which can be as much as 150%. The goal of financial inclusion must include the private sector. Therefore the Indian Government and the RBI have a policy of "financial inclusion". As part of this policy, the government requires Indian banks to lend to "priority sectors", one of which is the rural poor. Until recently, banks were happy to lend money to MFIs who would then on-lend funds, primarily to poor women across rural India. The banks have welcomed this policy because historically they tended to charge MFIs average interest rates of 12-13% and benefited from 100% repayment rates. Thus, by lending to MFIs, banks have been able to meet their "priority sector" lending requirements with what historically has amounted to a risk-free and very profitable arrangement.

### **Objectives of Study**

1. To study the phase through which MFIs have passed.
2. To study the reasons behind transformation
3. To study the benefits of commercialization and also, to know the concerns due to commercialization
4. To study the challenges faced by MFIs in transformation from not for profit to for profit organization.

### **Statement of Problem**

The early microfinance happened through donor funds. These funds came in not-for-profit organizations. However, as the activities scaled up, it was imperative to move to a for-profit organization. The paper examines the implication of transformation process and its effects as well as governance implications. Also it examines whether the commercial organizations follow the moral and ethical behavior.

### **Data Collection**

The study is based on the secondary data available from the various sources at the national and international level. The data is sourced from various websites and institutions. The relevant data have been sourced from organizations, such as RBI, NABARD, Reports of various committees, National Sample Survey Organization (NSSO) and other organizations.

Impetus behind transformation of Microfinance in India:

- There was a growth in size of MFIs which was bigger than the original form of not-profit incorporation.
- MFIs found it difficult to explain their form to commercial world, while the developmental world would stop funding them as their operations were becoming largely profitable.
- Also it becomes difficult for them to attract commercial capital because profits could not be distributed in a not-for-profit format.

- Within few years, the experiment was scaling up and donor community found it difficult to continue to be engaged in what could be seen as a commercial activity.
- Investors took active interest in investment in MFIs which not only gave them returns, but also enhanced their image as investors in socially responsible business.

### **Challenges for Transformation of Microfinance in India**

1. MFIs were initially established as not-for profit organization and were classified as for "public purpose".
2. When not for profit trust liquidate, their residue cannot go to the promoters or trustees, but it has to go to another public purpose organization that pursue similar activities or to the state.
3. Ideally it should have been declared that their mission was accomplished and therefore they should have moved on to other social problems that needed to be solved. But the success was too attractive for the players to give up the agenda.
4. So there was a natural push for MFIs to move into commercial space.

### **Three Options were Available for Commercialization**

1. Move the operations to NBFC.
2. Move the operations to co-operative format.
3. Set up a Local Area Bank (LAB).

Setting up a LAB was not easy as license has to be obtained from RBI which was careful and miser in granting it. Secondly, operations were restricted to three districts and thirdly, capital requirement of ₹ 5 crores. All these requirements made the prospect unattractive.

In case of Co-operative format, the capital has to be raised from user member, which is again slow and difficult process.

So the only option was NBFC. But due to NBFC scam of 1996-97, RBI set the initial capital requirement for new NBFC ₹ 2 crore and licence from RBI was mandatory. Promoters were not in a position to bring such a huge amount from their personal resources and the huge profit generated within not for profit could not be invested in NBFC due to legal hurdles. The logic followed by Indian law was that not for profit organization are for public purposes and they hold public funds in "trust" and hence these funds should not be invested in risky ventures.

### **Benefits of Commercialization**

1. Their funding is independent of irregular donor subsidies.
2. Profitability is also significantly large in order to attract commercial investors. Increase in industry profits also means an increase in competition that could potentially lower prices for the borrowers.

3. Scaling up of microfinance is also important from borrower's view point. Only in India, there are some 120 million families without access to financial services. Sector needs to scale up in order to meet this additional demand.
4. Commercial banks have diversified portfolios and are able to use profits from lending to wealthy clients to finance (subsidized) loans to the poor, i.e. cross- subsidization would take place.

Hence, commercialization may increase the availability of funds and therefore may improve outreach.

### CONCERNS DUE TO COMMERCIALIZATION

Bateman (2010) holds a view that commercialization goes together with "a whole host of anti-social and anti-poor development"

1. A potential disadvantage of the increased involvement of commercial bank is that traditional MFIs are confronted with increased competition in the market for micro loans. While increased competition may lead to increased efficiency and stimulate financial sustainability, it may also reduce the scope for lending to the core poor.
2. Moreover, increased competition and increased supply of loans may result in higher level of indebtedness of the clients as they may take up multiple loans from different sources at the same time.
3. Also, due to commercialization, MFIs have increased the interest rates, which even further increases indebtedness of the clients. It is now common to see interest rates far above 50% on a yearly basis.
4. While higher interest rates are good for profits of the MFIs, they seem to be bad for the poor. The individual -based MFIs focus increasingly on wealthier clients, a process termed as "Mission Drift".
5. Some even argue that Microfinance is a new subprime, especially after recent stories about loan – shark – style microfinanciers who have driven borrowers to suicide in Andhra Pradesh.

### CONCLUSION

The commercialization of microfinance has clearly invited a strong debate among microfinance practitioners and academicians. Some point at positive effect, others are much more skeptical. This paper provides a discussion of recent wave of commercialization of microfinance in India. The commercialization of microfinance appears to be one of the most important challenges for microfinance business in the near future, which raises several ethical debates. The paper points at some possible positive consequences of the commercialization of microfinance, especially for the investors in microfinance. However, the paper also highlights some concerns that may arise due to commercialization. Some argue that commercialization of microfinance is a blessing since it both improves MFI performance and the availability of funds for the poor. Others, such as Bateman (2010), state that commercialization of microfinance will even accelerate the negative impacts of microfi-

nance. Moreover, the commercialization may lead to a mission drift, such that MFIs start to concentrate on richer clients and reduce or even stop lending to the poorest of the poor.

In any case for an industry that has grown at a scorching pace, it is time to hit the pause button and look back a little bit before the next phase of growth.

## SUGGESTIONS

1. An overwhelming number of the poor continue to lack access to basic financial services. In many countries, microfinance is a highly underdeveloped sector. It has become a concern for donors, governments, and socially-responsible investors to expand the reach of microfinance operations. In order to attain its full potential and maximize impact, microfinance must become an integral part of the financial sector.
2. Commercialization is seen as an integral step in ensuring the sustainability of the sector. Sustainability goes beyond profits, and there are key factors that are necessary for further development. MFIs must manage risk; adhere to regulation; and optimize their capital structures.
3. After recent stories about loan - shark- style microfinanciers who have driven borrowers to suicide in Andhra Pradesh, MFIs must have strict internal control, strong governance, proper strategies, and careful monitoring.
4. Mission drift is more often mentioned in discussion. Most transformation of MFIs tends to result in erosion of public goods. The MFIs need to seriously rethink on the pattern of growth and try not to indulge in mission drift practices.

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## Direct Tax Code: An Objective Evaluation

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**Abstract:** The Direct Taxes Code (DTC) which will bring together policy initiatives on direct taxes will come into effect from next financial year, beginning Apr 1, 2013, said Pranab Mukherjee, Finance Minister in New Delhi on Wednesday, Dec 7, 2011. The code aims to simplify tax law by bringing down the rates and bringing together more firms and people under the tax net. "Tax reforms, though gradual, have been systemic in scope, particularly when we consider the proposals currently awaiting implementation. The reforms have covered both the direct taxes as well as the indirect taxes," said Mukherjee at the 4th International Tax Dialogue Global Conference. The government, in a bid to reform the direct tax system will replace the Income Tax Act, 1961, with a new legislation-Direct Tax Code. The present paper intends to review and analyze the impact of the various provisions in the Direct Taxes Code on tax liability of individual assesses and the organizations operating in corporate sector and make valid suggestions therein. The study is based on the statistical analysis of the secondary data on DTC available from the various sources such as news papers, magazines, internet and interviews of renowned tax consultants. It highlights the important provisions of DTC applicable to individual assessee and concludes that they adversely affect the interest of salaried class and common man in the middle class and need revision.

**Keywords:** DTC, Tax Reforms, Deductions, Exemptions

### INTRODUCTION

One of the most important reasons for recent tax reforms in many developing and transitional economies has been to evolve a tax system to meet the requirements of international competition. "The transition from a predominantly centrally planned development strategy to market based resource allocation has changed the perspective of the role of the state in development. The transition from a public sector based, heavy industry dominated, import substituting industrialization strategy to one of allocating resources according to market signals has necessitated systemic changes in the tax system. In an export-led open economy, the tax system should not only raise the necessary revenues to provide the social and physical infrastructure but also minimize distortions. Thus, the tax system has to adjust to the requirements of a market economy to ensure international competitiveness". The Finance Ministry of Government of India set up a Task Force under the chairmanship of Mr. Vijay Kelkar on the implementation of Fiscal Responsibility and Budget Management. It made recommendations to bring about a radical transformation of the Indian Tax System. It disagreed with the existing approach of the government to reduce government expenditure to achieve the fiscal consolidation. It has advised to go for a Revenue-led Approach which focuses on enhancing the revenues instead of compressing



the expenditure. It went further to suggest that the Government should enhance capital expenditure in order to counterbalance the contraction effects of fiscal consolidation. The Direct Taxes Code is an outcome of the recommendations of the Task Force under the chairmanship of Mr. Vijay Kelkar 2.

The Direct Taxes Code (DTC) which will bring together policy initiatives on direct taxes will come into effect from next financial year, beginning Apr 1, 2013, said Pranab Mukherjee, Finance Minister in New Delhi on Wednesday, Dec 7. The code aims to simplify tax law by bringing down the rates and bringing together more firms and people under the tax net. "Tax reforms, though gradual, have been systemic in scope, particularly when we consider the proposals currently awaiting implementation. The reforms have covered both the direct taxes as well as the indirect taxes," said Mukherjee at the 4th International Tax Dialogue Global Conference.

The DTC will now replace the existing Income Tax Act of 1961 in India. After clearance from the Cabinet, Direct Tax Code Bill was introduced in the monsoon session of Parliament in 2010-11 and is expected to be enforced from 1st April, 2012 or 2013. It is a radical reform on the tax structure of our country which will have a long term impact not only on the working of organizations operating in the various sectors of the economy but also on the lives of individual from the various strata of the society.

### **Review of Literature**

Jerinabi U. And Subha S<sup>3</sup> June, 2011 in their research paper have attempted to analyze the familiarity of the selected respondents and their willingness to accept DTC. They conclude that there exists relationship between familiarity of DTC and willingness to accept it with the various attributes of the respondents such as age, occupation, income, qualification of the respondents. The new tax would bring simplicity and transparency in the tax system and hence increase the tax compliance.

Debabrata Mitra<sup>4</sup> June, 2011 analyze the expected effect of the DTC on both the individuals as well as corporate sector and conclude that it would benefit the middle class will promote the tax savings of higher income group and not of lower middle income group. The DTC will reduce the tax liability of corporate sector but will strain the government exchequer and curtail the developmental activities.

Kulwant Singh Rana (2011)<sup>5</sup> gives several suggestions for increasing the comprehensive nature of DTC such as Unique Identity Card project, heavy penalty for defaulters, carrot and stick policy, coordination of various state tax collecting agencies with the income-tax department, taxation of real estate costly goods transactions at market rate, income tax scrutiny of election contestants and so on.

Sunil Kumar Jana (November, 2009) 6 has given several suggestions to increase tax revenue and control income gap such as clubbing of incomes of taxpaying married couples, compulsory submission of assets statements of all the assesses, software package for computation of tax liability and tax returns etc.

### **Significance of the Study**

DTC is a draft proposal that is going to replace the 50 year old Income Tax Act 1961 which has become complex mechanism due to several amendments and re-amendments over a period of time. One of the objectives of such replacement is to simplify the law so that the tax payers themselves without the assistance of experts should be able to compute their taxable income and file the annual return. The other major objectives are to give the maximum relief to the lower and middle income group taxpayers, to

check the creation of black money and increase the tax compliance and thereby enhance the tax revenue for the development and welfare campaign of the government. For attainment of the objective envisaged for the introduction of DTC the public awareness of its various provisions and timely suggestions for its refinement is *sine qua non*. The present research paper is a step in this direction.

### Objectives of the Study

The present paper aims to fulfill the following objectives:

1. To highlight the important provisions of the draft DTC
2. To analyze the impact of the various provisions in the DTC on tax liability of individual assesses
3. To make some concrete suggestions for the refinement of DTC in the light of study.

### METHODOLOGY

The present study is exploratory cum descriptive in nature. It is based on the analysis of secondary data as well as primary data. The secondary data is availed from various journals, internet, websites of tax authorities, and books. A study of opinions about DTC expressed by the renowned tax consultants in the journals, news papers and internet was made. The data collected from the various sources has been analyzed and interpreted.

### Highlights of DTC

1. The DTC 2010 would come into force on 1 April 2013, if enacted.
2. Proposed bill has 319 sections and 22 schedules against 298 sections and 14 schedules in existing IT Act
3. Once enacted, DTC will replace archaic Income Tax Act.
4. However, many provisions in Income Tax Act will be a part of DTC as well.
5. The concept of previous year replaced with a new concept of financial year which inter alia means a period of 12 months commencing from the 1st day of April.
6. Every person is liable to pay income-tax in respect of his total income for the financial year at the rates/conditions specified in the Schedules to the DTC after allowing credit for pre-paid taxes (including foreign tax credits).
7. Income has been proposed to be classified into two broad groups:
  - Income from Ordinary Sources and
  - Income from Special Sources
8. Income from Ordinary Sources refers to:
  - Income from employment
  - Income from house property
  - Income from business

- Capital gains
- Income from residuary sources.

9. Income from Special Sources shall include specified income of non-residents, winning from lotteries, horse races, etc. However, if such income is attributable to the PE of the non-resident it would not be considered as Special Source income. Accordingly, such income would be liable to tax on net income basis. Losses arising from *ordinary sources* shall be eligible for set off or carry forward and set-off against income only from *ordinary sources* without any time limit.

Similar treatment would apply for set off and carry forward of losses from Special Sources. Loss arising from speculative business, losses under the head capital gains, and losses from the activity of owning and maintaining horse race to be set off only against such income in the same or succeeding financial years.

10. In case of delayed filing of return of income for any particular year, only losses pertaining to that year would now not be allowed to be carried forward for set off in future year.

11. Direct Tax Code slabs, 2013-2014, Men & Women

Income: upto 3 lacs	NO TAX
Income : 2 lacs to 5 lacs	10 %
Income : 5 lacs to 10 lacs	20 %
Income : above 10 lacs	30 %

Direct Tax Code slabs 2013-2014, Senior Citizen

Income : upto 3.5 lacs	NO TAX
Income : 2.5 lacs to 5 lacs	10 %
Income : 5 lacs to 10 lacs	20 %
Income : above 10 lacs	30 %

12. Surcharge and education cess will be abolished.
13. Exemption for investment in approved funds and insurance schemes proposed at ₹ 1.5 lakh annually, against ₹ 1.2 lakh currently
14. Corporate tax to remain at 30 per cent but without surcharge and cess.
15. MAT to be 20 per cent of book profit, up from 18.5 per cent
16. Proposal to levy dividend distribution tax at 15 per cent.
17. DTC removes most of the categories of exempted income. Equity Mutual Funds (ELSS), Term deposits, NSC (National Savings certificates), Unit Linked Insurance Plans (ULIPs), Long term infrastructures bonds, house loan principal repayment, stamp duty and registration fees on purchase of house property will lose tax benefits.
18. Only half of Short-term capital gains will be taxed
19. For incomes arising of House Property: Deductions for Rent and Maintenance would be reduced from 30% to 20% of the Gross Rent. Also all interest paid on house loan for a rented house is deductible from rent.
20. Tax exemption on Education loan to continue.

21. Tax exemption on LTA (leave travel allowance) is abolished.
22. Taxation of Capital gains from property sale: For sale within one year, gain is to be added to taxable salary.
23. Tax on dividends: Dividends will attract 5% tax.
24. Medical reimbursement: Max limit for medical reimbursements has been increased to rupees 50,000 per year from current rupees 15,000 limit.
25. Leave encashment on retirement which is exempt at present up to ₹ 3,00,000 u/s 10 (10A) shall be fully taxable under DTC
26. Leave travel concession presently exempt under section 10(5) shall be fully taxable
27. Retrenchment compensation presently exempt up to ₹ 5,00,000 under section 10(10B) shall be fully taxable
28. Earlier Deduction in respect of individual savings and investments under section 80 (C) of Income Tax 1961 is replaced by 'Tax incentives' in Part-IV of Chapter III of the DTC-II and are as under:
  - (a) A deduction for deposits up to ₹ 1 lakh (in aggregate) for investments in the Government approved fund. The amount can be deposited in the names of individual assessee, spouses, and children of such individual (clause 69).
  - (b) An individual or HUF shall be allowed deduction in respect of sums paid to keep in force an insurance on the lives of persons specified at (a) earlier or on lives of the members of HUF. However, the premium payment shall not exceed 5 per cent of the capital sum assured. The contribution made to the CGHS will also be eligible for deduction. The eligible insurance shall be in scheme approved by the Insurance Regulatory and Development Authority (IRDA).
  - (c) The individuals and HUFs shall be allowed a deduction in respect of any sum paid during the financial year, if the sum is paid
    - (i) as a tuition fee to any school, college, university or other education institution situated within India; and
    - (ii) for the purpose of full time education of any two children of such individual or HUF. In this provision, it has been made clear that the aggregate amount under the above heads shall not exceed ₹ 50,000.

## SUMMING UP

The position regarding breakup of ₹ 3 lakhs deduction could be summed up, thus:

(i)	Contribution to Approved Government Funds (like PPF, recognized PF, Superannuation Fund, Insurance Funds, etc.) Expected to be Notified	₹ 1,50,000
(ii)	For Payments for Insurance Premiums, Tuition Fees, Contribution to CGHS Scheme	₹ 50,000
(iii)	Payments Towards Interest on Loan for Acquiring Residence for Self-Occupation	₹ 1,50,000
	Total	₹ 3,00,000

29. The category of 'Not Ordinarily Resident' abolished and only two categories of taxpayers proposed viz. residents and non-residents. The additional condition of 729 days retained only

to ascertain taxability of overseas income. A citizen of India or person of Indian origin living outside India and visiting India will trigger residency by staying in India for more than 59 days *vis-à-vis* more than 181 days proposed earlier.

30. Employment income proposed to be computed as the gross salary due, paid or allowed less the aggregate of the specified deductions.
31. Exemptions such as house rent allowance, leave encashment and medical reimbursements have been retained.
32. The exemption for medical reimbursements increased to ₹ 50,000.
33. Leave travel concession and non-monetary perquisite have been done away with
34. Receipts under the Voluntary Retirement Scheme, Gratuity and Commuted Pension deductible from employment income subject to limits without the condition to make any prescribed investments
35. Further, interest relating to period prior to financial year in which the property has been acquired or constructed deductible in five equal installments

### Critical evaluation of DTC

**'Tax incentives':** In respect of 'Tax incentives' in Part-IV of Chapter III of the DTC-II [that replace a deduction under section 80 (C)] it was heartening for a middle class to know that liberal deduction of ₹ 3 lakh will be available in place of the earlier deduction of ₹ 1.2 lakh. But a minute observation of the new provision reveals that the revised deduction limit of ₹ 3 lakh does not include the principal repayment of housing loan deductible earlier that discourages the middle class public repaying their housing loans. Secondly, the new provision includes payments towards interest on loan for acquiring residence for self-occupation of ₹ 1,50,000 which was deductible earlier under section 24 (ii) Thus there is no genuine extension of limit from ₹ 1.2 lakh to ₹ 3 lakh for the savings and investment for the tax benefit. This is misleading. Thirdly, tax incentives under DTC taxpayers' choice is restricted only to 4 to 5 approved funds while earlier under section 80(c) there were 19 to 20 savings and investment options. Finally, new restrictions in the matter of insurance policies have been imposed without mentioning any justification. Presently, under section 80 (C), insurance premium up to ₹ 1 lakh can be claimed as deduction singly within the limit of ₹ 1 lakh. But under the revised scheme payments for insurance premiums along with tuition fees, contribution to CGHS scheme are deductible only up to ₹ 50,000. Moreover, premium admissible as a percentage of capital value is up to 20 per cent of the sum assured against 5 per cent now proposed. This is disheartening for the insurance industry as well as the people who opt for insurance plans for tax incentives.

1. It is an accepted position that the taxpayers have no right to claim exemptions and concessions and the Government can give these on its terms and conditions! But the issue is whether the Government can be arbitrary in giving or varying these? It has to be rational while giving or withdrawing the incentives which have been in vogue since umpteen years. Under the DTC salaried taxpayers will be losing LTC, medical and leave encashment exemptions under DTC. Adding to the distress, salaried class, whose retirement benefits will be required to be separately deposited and will be taxed on any withdrawal. House rent

earners currently enjoying standard deduction of 30%, now to get lower deduction of 20% of the annual value of the property.

2. The way the changes regarding incentive provisions concerning savings have been made, smacks of autocratic attitude in a democratic set up which needs to be deprecated as it can be fatal to voluntary compliance. Hence, re-look regarding savings incentives is needed. T.N. Pandey (CHARTERED ACCOUNTANT)
3. Retirements should be relaxing. However, DTC will make them taxing. Leave encashment received on retirement, which is currently exempt up to ₹ 3 lakhs, has been made fully taxable. Even the terminal benefits such as VRS, gratuity, commutation of pension and superannuation of the retiring salaried will no longer enjoy the current tax shelter and will get eroded as soon as they are withdrawn from the designated account in which they will be required to be deposited. Mukesh M. Patel (ADVOCATE).

## SUGGESTIONS

1. **Enhancement in Incentives for Savings:** The level of incomes of middle class have increased substantially in the previous decade hence the incentives for savings and investments currently allowed under section 80 (C) of Income Tax Act of 1961 should be continued in the DTC with enhanced limit of ₹ 3,00,000 without curtailing the investment options. This will promote savings and investment habits and increase the rate of capital formation in the economy.
2. **Deductions in Respect of Housing Loan:** Youths population in the big cities plan for the independent housing accommodation after settlement in their job. But the cost of houses and flats in the big cities have been sky rocketing. Hence they have to go for large housing loans the installments of which take away bulk of their earnings. To provide the tax relief for such youths the deductions of principle amount and interest should be continued with enhanced limits of ₹ 2 lakh each. This measure will also give boost to the construction and allied industries.
3. **Deductions in Respect of Insurance Premium:** Currently the premium paid by the assessee on the life of himself or spouse and children not exceeding 20% of sum assured which should be continued because any reduction therein may create problems for insurance business in India.
4. **Reinstatement of Standard Deduction:** Expenses incurred by a person to earn any income are deductible there from to arrive at his taxable income. This rule of tax laws is applicable for all sorts of income. A business person deducts the business expenses from his business income to arrive at his taxable income. Similarly, a salary earner incurs several expenses in his efforts to earn family such as conveyance, purchase of some things related to his work, entertainment of people related to his occupation etc. for which he does not maintain any accounting record. The standard deduction is allowed to cover such expenses knowingly or unknowingly incurred by an employee while earning his salary. Hence, the standard deduction should be reinstated under DTC.

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## Agripreneurship: An Assured Path for Sustainable Rural Development

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**Abstract:** Different compelling issues like, how to provide highly nutritious affordable food to the poor; how to empower people to employ their skills and talents; and how to make food production pay; lead to think for innovative ways in farm and related activities. In an exciting synthesis of opportunities, agripreneurship is an experience to demonstrate that people can be fed and lives can be changed beyond conventional farming practices which rely on a network of cooperation between farmers. Agripreneurship is the outcome of intentional collaboration that involves low income people, with a special focus on small land holders and land-less labours, in establishing and maintaining profitable agricultural and agriculture related businesses that can support their families.

Early agripreneurship practice seems to indicate significant economic impact through implementation of the concept in different rural communities. The agripreneurship is an ability to ensure basic objectives namely, quality products, trained entrepreneurs, improved livelihoods for low income individuals and families, and sustainable partnerships. The agripreneurship movement in Sangli District (situated in southern Maharashtra) is in infant stage and still innovating, but shows all the signs of a remarkable new way to achieve the goals while carving into traditional food markets and distribution.

This research paper concentrates on aspects of the agripreneurial system as an economic tool for fighting against poverty. Interviews with farmers and other stakeholders along with a review of literature and statistics, has proved about the agripreneurship initiative for sustainable rural development. The paper highlights on the background, key motivators and an overview of the agripreneurial system. The results perceived through the responses were tested using an appropriate statistical tool (paired "t" test). Further, the paper discusses on findings and conclusions deduced from the study. In the nutshell, it can be said that, 'Poverty drains resources from families; agripreneurship helps them build resources.'

**Keywords:** Agripreneurship, Entrepreneur, Sustainable Development, Innovation, Rural Empowerment.

### INTRODUCTION

Indian food-processing sector is undergoing rapid transformation. As a country moves on the path of development, agricultural sector evolves from traditional subsistence level farming to commercial agriculture, producing high value and processed products. Strong macro-economic fundamentals, ensuring sustained economic growth rate and the changing socio-economic scene are driving forces to transform a traditional, small-scale processed food production system into a modern industry. It aims to cater to the evolving tastes and needs of diverse consumers. There is high potential demand in the domestic as well as export market. On the supply side, with vast arable land and agro-climatic diversity, India has the potential to be a food basket of



the world. With this interaction of demand and supply forces the food processing sector has the potential to be the driver of economic growth and enhance rural incomes. Food Processing Industry is widely recognized as a 'sunrise industry' with a vision to make India the Food Basket of the world, achieves what has been achieved in the field of computer technology.

In accordance with the vision, food processing sector has been given "priority status" and several measures have been taken to bring dynamism in the sector – liberalizing the sector by de-licensing, automatic approvals of FDI, tax exemptions for exports, processing and imports of processing technology. Several schemes have been proposed to enhance post harvest infrastructure – processing and packing houses for fresh produce, modern abattoirs, creation of Agri Food Parks, value added centers and irradiation facilities. Major policy changes to encourage private sector investment to procure directly from the farmers, streamlining the food quality and safety regulations for easier compliance.

As a consequence of these efforts, agro process industry in the county has shown positive growth trends in recent years. While steps have been taken in the right direction, the critical issues in the way forward are inclusive and equitable growth by ensuring participation of small and marginal farmers, backward areas and regions and small and micro enterprises in modern value chains. It has been observed in various developing countries around the world that benefits of the modernizing sector do not automatically accrue to all stakeholders in the system. Particularly at risk are small scale farmers, faced with increasingly strict agro-industry standards and contractual arrangements, and small scale traders, processors, wholesale markets and retailers, who must compete with large food suppliers and manufacturers.

### Review of Literature

In recent past many of the researchers had worked on finding out challenges and opportunities in terms of sustainable rural development in general and the role of agripreneurial activities in particular. In addition, the Central Government had constituted number of high power committees to study the situation and recommend accordingly. The available literature in this regard has been analysed for the purpose of this study. The outcome is summarised as under.

### Current Situation of Agro Industries Development in India

India is a one of the leading producer of agricultural and livestock commodities – grains, fruits and vegetables, milk, etc. However the share of these products going for processing is very small. Also, India's share in world trade of processed food is 1.6%, and value addition is 20% (Ministry of Food Processing, Report).

Table 1: Size of Commodity Production and Processing

Sr.	Commodity	Production (Million Tons)	Rank	(Processing) %
1	Milk	100	I	35
2	Fruits & Vegetables	160	II	02
3	Livestock	475	I	21
4	Grains	210	III	--
5	Fish	010	IV	--

Source: Ministry of Food Processing Industries, Report

Key issues in food processing in India are,

1. The low level of processing,
2. Consumer perception regarding processed food,
3. Unorganized nature of the processing sector.

The level of processing at the industrial level needs a closer look. Lower level of processing reported at the industrial level does not mean that Indians do not consume processed foods. Instead, most of the processing is done at the household level – jams, pickles, jellies and other traditional items are usually made at home and preserved through traditional means such as storing with salt, sun drying etc. Another important aspect of the processing sector relates to traditional Indian food habits and the perception that “processed food is not fresh”. This has also led to low consumption of processed foods. However, this notion is changing in the recent years because of exposure to a variety of processed foods in the supermarkets and higher awareness about the nutritional aspects of processed foods.

Currently most of the processing is in the unorganized sector. Technically, organized sector means the units registered under Section 2m of Factories Act, 1948, whereas the rest is categorized as unorganized sector. Primary food processing is a major industry with several thousand rice-mills/ hullers, flour mills, pulse mills and oil-seed mills. There are several thousands of bakeries, traditional food units and fruit, vegetable and spice processing units in an un-organised sector. In the organised sector, there are over 825 flour mills, 425 fish processing units, 5250 fruit and vegetable processing units, 175 meat processing units.

**Key Challenges to Development of Agro Processing Sector:** Most of the challenges to food processing in India are typical to that of other developing countries – socio economic environment, subsistence agriculture, fragmented value chains and lack of infrastructure for post harvest management and processing. Some issues are country specific: role of federal and state government, policies regarding marketing of agriculture produce, and food safety regulations.

**Socio Economic Environment and Demand for Processed Foods:** Growth of the food processing industry can be attributed to the vicious circle of high unit cost low demand, low capacity utilization again leading to high unit cost. Affordability is also a major issue in the domestic market. Price differential between fresh and processed food in India is very high relative to convenience, hygiene and health values of the processed food. In the developed countries processed and fresh food compare well in prices. Further, low income Indians are very price sensitive since food accounts for over 60% of the family budget.

## **POLICY ISSUES IN FOOD PROCESSING**

**(a) Agriculture Produce Marketing Committee (APMC Act):** Agricultural produce marketing in India has traditionally been dominated by government sector. Agricultural commodities are marketed through regulated APMC (Agricultural Produce Marketing Committee) markets. Agriculture is a state subject in India and as such the APMC Act is under the preview of the state government. Some of the key areas of concern regarding the APMC act are:

- a. The APMC Act of most states prohibits transactions outside the regulated mandis
- b. The APMC Act of most states does not encourage direct marketing and contract farming
- c. The prohibitions under the APMC Act do not allow investment by the private sector for improving the infrastructure
- d. They do not facilitate procurement of agricultural produce directly from farmer's fields
- e. The purchaser has to be a registered agent at the wholesale market (Commission Agent).

These regulations can cause delay in supply and also loss of produce due to multiple handling and the time involved in the process. In an effort to provide a fair playing ground to the private sector and to encourage private sector investment in the area of agriculture, the central government has suggested the Model Act which addresses most of the above concerns and enables organizations to procure directly from farmers. Many states have already amended APMC Act on the lines of the Model Act, or are in the process of amending it.

**(b) Taxes on Processed Food:** High level of taxes and multiplicity of taxes are the two key issues with food taxation. A recent study points out that the food taxation is highest in India among Asian countries like Indonesia, Philippines, Malaysia, Sri Lanka, China, and Thailand. The Central excise as well as the state taxes (octroi and sales) is applicable in India. According to the study, excise duty on processed food is not levied in any of the other Asian countries except for Thailand where excise is levied just on carbonated drinks and fruit juices. In India, excise duty ranges from eight per cent to 18 per cent on processed food and 40 per cent on carbonated drinks. The study point out that octroi on food items is levied only in India while other Asian countries do not levy it. In India, Maharashtra levies the highest octroi on processed food. Sales tax in India averages second behind that in China.

**(c) Credit:** The agricultural supply chains in India are very fragmented with a large number of intermediaries. This structure of the chain leads to limited scale of financing as well as higher risk, given the lack of control each of the players has on the supply chain. At the farm level, financing is largely dependent on unorganized sources of credit due to bottlenecks in access, timeliness in availability and adequacy of credit from organized sources. The key hurdles faced by banks in financing farmers are their inability to provide adequate collateral as security and potential for default in the absence of an assured market for their produce

The food processing enterprises primarily comprise small and medium sized organizations, a large proportion of which have stand alone operations with no linkage with farmer, and reliant on other organizations to undertake marketing/further processing of their products. Consequently, organizations in the food processing sector usually bear a high cost of interest for the high risk perception associated with the nature of their operations.

**(d) State of Center and State Government:** Agriculture is a state policy in India. The central government can provide a direction for the states, but eventually the implementation rests with the state government. The progress in implementing various policies, projects and schemes depends on the initiatives, efforts and ideologies of state governments. For example, the Model Act which is an amendment to the APMC Act has been modified only by some states over the past period, but other state governments are yet to modify the Act.

### **Traditional and Subsistence Farming, Market Linkages and Infrastructure**

Similar to the situation in many developing countries, most of the farming in India is at subsistence level which leaves limited produce for marketable surplus. The approach to farming is traditional and modern practices of farming have not been widely adopted. Post harvest management and infrastructure has not received much attention, which limits the availability of storage of raw materials for processing. Further, sale of agricultural produce is characterized by a long chain of intermediaries, which has severe implications on cost efficiency and flow of information through the chain, about the quality and quantity required for processing. Similarly, traditional marketing channels for food distribution and retailing is also fragmented which leads to high distribution cost.

### **Poor Linkages Between Industry, Government and Institutions**

Traditionally, government has been the dominant player in the agricultural sector, especially in the areas of marketing and infrastructure development. The involvement of private sector has been limited to marketing of inputs and undertaking processing of some basic items. The linkages between private and public sector have been very poor but this situation is changing dramatically as many new initiatives are being undertaken in Public Private Partnership mode.

### **Characteristics of Agribusiness Environment in India**

The vision of the stakeholders in the industry defines how the industry is likely to move in the future. Ministry of Food Processing Industries had commissioned a Vision document for the growth of FPI sector. Based on the vision document for the Ministry of Food Processing

Industries (2005-2015), the industry targets are as follows:

1. Industry should aim to increase processing of perishables 20%
2. Increase value addition from the present level of 20% to 34%
3. Share in global trade up from 1.6% to 3%

These initiatives will almost triple the size of processed food industry by 2015. Tripling of the size of industry is estimated to generate direct employment of 28 lakh and indirect employment of 74 lakh. Major industry players have the vision "to link India's small farmers to global supply chains in agriculture, just as its software writers and call-center works have been linked to other segments of the global economy."

Creating a strong and dynamic food processing sector requires policies and plans for improvement of food processing infrastructure including up gradation of technology and enforcement of quality standards, promoting investment in food processing, thus assisting in domestic market and export growth. Some of the main aspects of the enabling agribusiness environment are,

### **CHANGES IN SOCIO ECONOMIC ENVIRONMENT**

Like the emerging situation in several developing countries changes in the socio economic environment is leading to higher demand for processed foods. This change is characterized by urbanization, higher incomes, less time available for cooking, increasing globalization and exposure to

global markets, increasing number of nuclear families. There is higher acceptance of processed food because of higher consumer awareness about nutritional aspects. There is rising demand for ready-to-cook and ready-to-eat convenience foods. 'Demonstration effect' through explosion in information and communication technologies is creating a new demand for "western type" foods.

Another aspect of the socio-economic change is the increase in the number of supermarkets and organized retailing in India. Investment in organized retailing is increasing dramatically with many domestic conglomerates investing in this sector. It is observed that the transformation in the processing sector has occurred simultaneously with transformation in the retail sector.

### **Changes in Policy Environment**

Following liberalization in 1991, government followed a liberalised overall policy regime, with specific incentives for high priority food processing sector to provide a conducive environment for investments and exports in the sector. The government has accorded a high priority to the food processing sector to encourage commercialisation and value addition to agricultural produce; for minimising pre/post harvest wastage, generating employment and export growth.

Recognizing that a robust and dynamic food processing sector is to play a vital and stellar role in the new emerging global economy, all policies and plans for the food processing industries is coordinated by the Ministry of Food Processing Industries. The thrust of the changes has been in: deregulation of the industry, addressing the policy changes required to provide a fair playing field to the private sector, focus on development in infrastructure and creating support institutions.

### **Credit and Finance**

The government has focused on food processing and food technology. Key measures undertaken through budget include,

- (1) Decision to treat the food processing sector as a priority sector for bank credit
- (2) Creating of separate window with a corpus of ₹ 1000 crore to NABARD for refinancing loans

These measures will enable an enhanced flow of resources to a wider cross section of entrepreneurs which will help to strengthen local production bases. The provision has been made for enhancing credit at the farm level by various means like, reduction of interest rate on short-term credit, improved micro finance credit policies including provision of credit to investment through self help groups.

### **Emphasis for Infrastructure Development**

Upgrading infrastructure for food processing, is a key priority for the government. Several initiatives in this regard include,

- (a) **Food Parks:** The idea behind setting up of food parks is that small and medium entrepreneurs find it difficult to invest in capital-intensive activities. Therefore, as a part of the strategy to develop food-processing infrastructure, the Ministry has been pro actively pursuing the task of setting up of food parks in different parts of the country. In the food parks, common facilities like cold storage, food testing and analysis laboratory, affluent

treatment plant, common processing facilities, packaging centre, power supply, water supply, seminar/conference/training facilities etc can be assisted.

- (b) **Packaging Centre:** The motive of scheme aims to provide facilities for packaging, which will help to enhance shelf life of food products and make them internationally acceptable.
- (c) **Integrated Cold Chain Facilities:** The scheme is intended to improve viability of cold storages and enhance cold storage capacity.
- (d) **Value Addition Centers:** The Scheme is intended to enhance value addition leading to increase the shelf life, higher total realization and value addition at each level of handling.
- (e) **Supporting Institutions:** Several supporting institutions and mechanisms have been put in place to meet the changing needs of the agro processing sector – enhancing farmer information about markets and modern farming practices, developing linkages with private sector, providing venture capital, providing support for exports, etc. Some of these institutions include Agricultural and Processed Food Products Export Development Authority (APEDA), Agri-Clinics and Agri-Business Centers, Small Farmers Agribusiness Consortium, National Institute of Food Technology Entrepreneurship and Management (NIFTEM), etc.

### **Key Issues from the Development Perspective**

There are three aspects important for inclusive growth. These are,

1. **Inclusion of Small Farmers in Modern Value Chains:** This is an era of rapid changes and growth for the agricultural sector in India. Overall, it is recognized that with rapid economic growth, incomes are increasing, but at the same time income inequality is also increasing very rapidly. It is very important to ensure that the growth is inclusive and that small and marginal farmers are not left out of the development process. Agriculture marketing is changing from traditional marketing to more co-ordinated links between farmers, traders, processors, exporters and retailers. In this changing situation, NGOs, donors and government extension agencies can promote farmer welfare by developing linkage between farmers and markets.
2. **Small and Micro Enterprise Linkage with Modern Agribusinesses:** Agro-processing sector in India is dominated by small and micro enterprises. In recent years, there is increasing investment in this sector by major Indian conglomerates and multinational companies. The modern sector will have a positive impact on the food processing sector by bringing in new technologies, economies of scale, and higher food quality standards. Thus, in the coming years, small and micro enterprises will be competing directly with the big enterprises. Special initiatives need to upgrade the small and micro enterprises to make them more competitive in this changing environment. Technologies specific to small and micro enterprises need to be upgraded. Central Food Technology and Research Institute (CFTRI) is already undertaking some steps in this direction. Special training needs to be provided to this sector to enable them to meet the requirements of the new food safety regulations.
3. **Regionally Balanced Growth:** As agriculture is a state subject in India, private sector investment in a state are driven by the policies, initiatives and ideologies of the state government. The state departments of Punjab and Maharashtra have been very proactive in

attracting private sector investment in the area of agro processing. Farmers have benefited from the linkages developed with the private sector.

**4. Factors Ensuring Sustainable Rural Development:** Following are some of the important factors which determine the sustainable rural development.

1. Increased Standard of Living
2. Better Health Conditions
3. Good Education to Children
4. Higher Credit in the Market
5. Social Responsibility
6. Better Stability

## METHODOLOGY

### Case Study of Sangli District

Agro processing units established and working in Sangli District were considered for the purpose of this study. These units were classified into food and non-food processing enterprises. The sample of 40 units was selected for this study by using cluster sampling method.

The owners/entrepreneurs were surveyed with help of well designed questionnaire. This questionnaire was comprised of different questions providing information about impact of agro processing units on their entrepreneurial, social and family life. An attempt was made to recognize the impact of agripreneurial activities for sustainability in the rural development. The paired 't' test was used to test the hypotheses.

### Hypotheses

1. **Null Hypothesis (H<sub>0</sub>):** Agripreneurial activities do not assure sustainable rural development.
2. **Alternate Hypothesis (H<sub>1</sub>):** Agripreneurial activities assure sustainable rural development.

### Data Analysis

The table 1 shows selected number of industries in each taluka of Sangli district according to the classification is as food processing and non-food processing industries.

Table 2: Selection of Sample from Sangli District

(Taluka-wise and Category-wise)

Sr. No	Taluka	Food Processing						Non-food			Total	
		I	II	III	IV	V	VI	VII	VIII	IX	No.	%
01	Miraj	3	1	-	1	2	-	1	1	-	9	22.50
02	Walwa	-	-	1	1	1	-	1	-	-	4	10.00
03	Shirala	2	-	-	1	-	-	-	-	1	4	10.00

Table 4: Responses about Impact of Agripreneurial Activities

Sr.	Criteria	After (%) (X)	Before (%) (Y)	Difference d=(X-Y)	d <sup>2</sup>
1	Increased Standard of Living	44.58	12.08	32.50	1056.25
2	Better Health Conditions	60.50	22.50	38.00	1444.00
3	Good Education to Children	60.00	35.00	25.00	0625.00
4	Higher Credit in the Market	49.16	21.50	27.66	0765.08
5	Social Responsibility	49.50	19.58	29.92	0895.21
6	Better Stability	41.25	14.75	26.50	0702.25
$\Sigma$				179.68	5487.79

Source: Field Survey

## RESULTS AND DISCUSSIONS

According to the analysis of the responses, it can be recognized that all the factors determining sustainable rural development had received positive change after application of agripreneurial abilities. The health conditions were significantly changed (by 38%). There was remarkable rise in standard of living (by 32.5%). Remaining determinants had noticed the considerable improvement ranging from 25% to 30% in terms of education, credit ability, social responsibility and security.

As all the determinants of rural development have noticed positive change after implementation of agripreneurial abilities, there would be no second opinion than the strong relationship between agripreneurial abilities and sustainable rural development.

## CONCLUSION

It can be concluded that agricultural entrepreneurship is necessary for small scale farmers to escape the cycle of continuing poverty. But this will only be possible if they organise themselves into farmer-based organizations. Value chain development must take the constraints described above into consideration if they are to work for poorer farmers. Value chains can only overcome the cycle of poverty if they are deliberately designed to improve farmer livelihoods, so to be 'pro poor'.

Markets have to be created by the farmers and agro-business people themselves and not by outsiders for them. Only then will they feel the pain and the gain from their transactions. This does not mean that the government should not provide the favourable environment for enterprises to thrive. After all, the state also gains and loses depending on the direction of the country's economic growth.

India's next frontier of innovation is in the area of agribusiness and agro processing. Food processing industry is widely recognized as a 'sunrise industry' in India having huge potential for uplifting agricultural economy which has been stagnant in the past few years, exposing traditional Indian agriculture to modern technologies, creating large scale processed food manufacturing and food chain facilities and consequently generate employment and export earnings. The vision for the food processing sector in India is to make India the food basket of the world, and achieve what has been achieved in the computer technology sector. The government and private sector have been very proactive in pursuing this vision in a committed manner.



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## Development of Women Entrepreneurship: An Overview

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**Abstract:** Women are an integral part of every economy. The position of women and their status in any society is an index of its civilization. All round development and harmonious growth of a nation would be possible only when women are considered equal partners in progress with men. Economic empowerment of women is essential to harness the women in main stream of economic development. Entrepreneurship can help women's economic independence and improves their social status. Entrepreneurship is suitable for women and it is possible to do work when she has free time.

Entrepreneurship development among women can be considered a possible approach to economic empowerment of women. A women as an entrepreneur is economically more powerful than as a mere worker because ownership not only confers control over assets and liabilities but also gives her the freedom to take decisions. This will also uplift her social status significantly. Through entrepreneurship development a woman will not only generate income for herself but also will generate employment for other women in the locality. This will act as an empowerment in the women sector.

The Government of India also has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly a women entrepreneur is defined as a "an enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women."

Indian women are considered as source of power (Shakti) since mythological times. But more than half a century has passed after independence development of women entrepreneurship has not been rapidly achieved as the other measures of development. Therefore, the population of women entrepreneurship necessitates to remove social, economical and educational constrain.

This paper is entirely based on secondary data and information is presented in overview of women entrepreneurship in different nations, women entrepreneurship in India, women entrepreneurship in Maharashtra, Areas of Women Entrepreneurship, Problems faced by women entrepreneurs, efforts should be taken for the growth of women entrepreneurship.

**Keywords:** Entrepreneurship, Women Entrepreneurship.

### INTRODUCTION

Women are an integral part of every economy. The position of women and their status in any society is an index of its civilization. All round development and harmonious growth of a nation would be possible only when women are considered equal partners in progress with men. Economic empowerment of women is essential to harness the women in main stream of economic development. Entrepreneurship can help women's economic independence and improves their social status. Entrepreneurship is suitable for women and it is possible to do work when she has free time.

As technology speeds up lives, the role of women in modern society is becoming dynamic and emerging economic force, which cannot be neglected by the policy makers. The international conference was organized on "The Decades of United States" at Coperhegan in 1980 in which opportunities for women self-employment, responsibilities related to it. The scope of women in untraditional business field was discussed and action plan was designed and in accordance with this first national meet for women entrepreneurs in relation with business. The world celebrated the International year of the women in 1985 and the decade witnessed the emergence of a large number of organizations fighting for the cause of women promotion of women-owned business other related inputs are some of the efforts which need to be understood and appreciated in the wider perspective of women catching up with men in various walks of life.

### **Research Methodology**

1. An extensive literature review facilitates following objectives of study.
2. To explore the potential of women entrepreneurial spirit in the world, India and Maharashtra.
3. To identify the opportunities available to women entrepreneurs in different areas.
4. To identify the problems faced by women entrepreneurs
5. To present the effort should be taken for growth of women entrepreneurship

### **Women Entrepreneurship in Different Nations**

Attention on women entrepreneurship development were given in late 1970's, with the United Nations First International Women Conference at Mexico City in 1975, where the main focus had given on equity, development and peace. In 2<sup>nd</sup> OECD (Organization for Economic Co-operation and Development) conference of Ministers on "Women Entrepreneurship: Issues and Policies, a major force in innovation and job creation has given stress on women entrepreneurs and their potentials. It recommends that their contributions and needs must be examined and structural reforms should be applied for three main reasons :Economic, Social and Political. The status of women entrepreneurship in the following nations reveals its contribution to national development.

**Canada:** There are more than 8,21,000 women entrepreneurs and they contribute to an excess of CAD 18,109 billion to the economy annually. Between 1981 and 2001, the number of women entrepreneurs increased 208 percent compared with a 38 percent increase for men. Average annual sales for women-owned firms are significantly lower. In 2000, women-owned SMEs averaged 3,11,289 in sales, compared with 6,54,294 in sales for firms owned by men.

**Germany:** There are a total of 1.03 million women-owned businesses in Germany. Women-owned and managed businesses having annual turnover of at least Euro 16,620 number 5,22,000 represent 18 percent of the total in this group and provide jobs for 2 million employees. Their turnover is approximately 6 percent of the overall turnover.

**Sweden:** Women start 28 percent of genuinely new firms and employ on average 0.6 full time employees compared 1.7 for men.

**South Korea:** Women owned and managed firms represent 36 per cent of all firms.

**United Kingdom:** Women represent 26 percent of the 3.2 million self-employed.

**United States:** Women owned and managed firms represent 28 percent of the 23 million firms and they provide employment for 9.2 million people. That represents 9 percent of all employed in the private sector.

It is clear from above information that if proper upliftment to women has been given, they definitely more economically powerful and free to take decisions. This uplifts her social status significantly. Through entrepreneurship development a woman will not only generate income for herself but also will generate employment for other women in the locality.

## WOMEN ENTREPRENEURSHIP IN INDIA

"Freedom depends on economic conditions and even more than political. If a women is not economically free and self earning, she will have to depend on her husband or someone else and dependents are never free." These were ideas of Jawaharlal Nehru, the First Prime Minister of India, which vividly highlight the importance of economic independence of women.

Hence women entrepreneurship is one of the tools for overall empowerment of women. An ILO report in 1980 states that "women are 50 per cent of the world's population, do the two-third of world's work hours, receive 10 per cent of world's income and own less than 1 per cent of world property. All because of an accident of birth."

The Government of India also has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly a women entrepreneur is defined as a "an enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women." In India, according to the Third All India Census of small scale industries conducted in 2001-02 reveals that 10,63,721 are total women owned enterprises i.e., 10.11 per cent and 9,95,141 are total women managed enterprises which indicate that many women are eager to enter into the field of entrepreneurship which is suitable while managing their home. According to quick estimates of Fourth Census of Small scale industries conducted in 2006-07 reveals that 2.1 million (8%) are women owned enterprises which are more in number as compared to Third All India Census but percentage has fallen as number of total industries increased meanwhile.

Table 1: Women Entrepreneur in India

Sr.	States	No of Units Registered	No. of Women Entrepreneurs	Percentage
1	Tamil Nadu	9618	2930	30.36
2	Uttar Pradesh	7980	3180	39.84
3	Kerala	5487	2135	38.91
4	Punjab	4791	1618	33.77
5	Maharashtra	4339	1394	32.12
6	Gujarat	3872	1538	39.72
7	Karnataka	3822	1026	26.84
8	Madhya Pradesh	2967	842	28.38
9	Other States & UTS	14576	4185	28.71
	Total	57,452	18,848	32.82

Source: Women Entrepreneurship Development in India by Sanjukta Mishra Available at [http://www.indianmba.com/Faculty\\_Column/FC1073/fc1073.html](http://www.indianmba.com/Faculty_Column/FC1073/fc1073.html)

It is cleared from the above table that Gujarat, Uttar Pradesh, Kerala, Tamil Nadu and Maharashtra are the leading state in women entrepreneurship. If it is seen in the depth the reason behind this is in not the women literacy rate of these concern states but the situation available to them. Gujarat is one of the leading states in India as they are having that work culture in their blood. Women entrepreneurship in Uttar Pradesh is necessity entrepreneurship, Kerala is the state with highest women and highest women literacy rate apart from this the opportunities and the status available to the women are the major reason behind women entrepreneurship. Maharashtra is behind in women entrepreneurship as compare to Gujarat, Kerala, Tamil Nadu and Uttar Pradesh because the mindset of men counterparts and the society, the less risk taking tendency of women.

The population of women in India is 48 per cent according to 2001 census of India. But in the above data it reveals that the numbers of registered women's entrepreneurs are comparatively less than total women's population in India. So it can be concluded that the economic, social empowerment of women are still lag far away even they are working as a worker.

Government of India through schemes, programmes and policies has been encouraging entrepreneurship among women. The various schemes run by government of India are Trade Related Entrepreneurship Assistance and Development Scheme for Women (TREAD), Micro and Small Enterprises Cluster Development Programme (MSECDP), Credit Guarantee Fund Scheme for Micro and Small Enterprises, Support for Entrepreneurial and Managerial Development, Exhibitions for Women under Promotional Package for Micro and Small etc.

Many women have created their own successful stories in the area of entrepreneurship. Few of them are mention below in Table No.1.2

Table 2: Successful Women Entrepreneur

Sr.	Name of the Women Entrepreneur	Position	Name of the Company/ Business
1	Akhila Srinivasan	Managing Director	Shriram Investment Ltd.
2	Chanda Kocchar	Executive Director	ICICI Bank
3	Jyoti Naik	President	Lijjat Papad
4	Kiran Mazumdar-Shaw	Chairman and Managing Director	Biocon
5	Naina Lal Kidwani	Deputy CEO	HSBC
6	Preetha Reddy	Managing Director	Apollo Hospital
7	Priya Paul	Chairman	Apeejay Park Hotels
8	Ritu Kumar	Fashion Designer	
9	Ritu Nanda	CEO	Escolife
10	Simone Tata	Chairman	Trent Ltd (Lakme)
11	Shahnaz Hussain	CEO	Shahnaz Herbals
12	Sullajja Firodiya Motwani	Joint M.D.	Kinetic Engineering Ltd.
13	Ekta Kapoor	Founder	Balaji films
14	Mrs. Sumati Morarji		Shipping corporation
15	Mallika Srinivasan	Director	TAFE India,

These successful women entrepreneurs have not concentrated their business activity in any particular area or field. They have chosen the field from engineering, biotechnology to finance, art and even in shipping also. This is showing their diversity in all sphere of life.

## WOMEN ENTREPRENEURSHIP IN MAHARASHTRA

Maharashtra is one of Pioneer in the industrialization field, which contributes 15 per cent of national industrial output and over 40 per cent of India's national revenue. Maharashtra is having second place after Tamil Nadu in maximum number of enterprise which is 43.75 lakh (10.39 per cent) enterprises according to fifth Economic Census 200. In the same census, Maharashtra is having top position in the maximum employment generation which is 118.27 Lakh (11.95 per cent). Industrial field of Maharashtra is specially men dominating while numbers of women entrepreneurs are increasing since adoption of LPG policy, in the Third All India Census of small scale industries conducted in 2001-02 reveals that 80.662 are total number of enterprises managed by women in the state.

The women have their footprint in world of entrepreneurship in Maharashtra for eg. Leela Poonawala (Alpha Laval), Medha Boarse (Floriculture Industry), Mrs. Prabha Thakar

(Dimpex International), Mrs. Madhuri Datar (Language Service Bureau), Veena Patil (Kesari Tours), Mugdha Karmarkar (Consultancy Services), Maya Paranjape ( Beutic ) etc.

## AREAS OF WOMEN ENTREPRENEURSHIP

Women entrepreneurship is not concentrated in any field rather they are having a vast opportunities in all the sectors like Agarbatti manufacturing, papad making, embroidery, handicrafts, catering service, pickle manufacturing, milk distribution, small retail shops to modern advanced sectors like Leather product manufacturing, Food Processing, Gem and Jewellery, Software export, cultivation of medicinal plants, Sericulture, Floriculture, Packaging, Mushroom Cultivation, Food Processing industry, Electronics, Chemicals, nursery and baby crech centres, nursery, pottery and Black Smithy industry etc.

## Problems Faced by Women Entrepreneurs

1. **Stiff Competition:** In this globalization era, the market become vast with quality and low priced products and services which make the market competitive. The women entrepreneurs' generally running small business has to face the competition from giant companies.
2. **High Prices of Raw Materials:** The prices of raw material has increase tremendously due to increase competition in the market. This rises the cost of production of the product therefore either the profit margin have to be reduce or the price of the product increases.
3. **Financial Constraints:** Women entrepreneurs lack property in their own name and hence banks and financial institutions may hesitate to finance women based projects. Procedures of bank loans and delays and the running about involved deter many women from venture.
4. **Marketing Constraints:** It has been found that the small-scale entrepreneurs, owing to their high achievement orientation, generally set higher goals in terms of marketing of their products or services but later on find them difficult to achieve.

5. **Technical Difficulties:** Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship.
6. **Lack of Risk Bearing Capacity:** Women always feel that they may not be successful and hence hesitate to take risks of all types like economic risk, technical risk and environmental risk.
7. **Family Background:** Low level of favourable family background in the field of family co-operation, education, occupation and entrepreneurial base discourage women from entering into business field.
8. **Social Barriers:** Lower and middle class community women generally feel inferiority complex among them which reduce their capability.
9. **Women Literacy Rate:** Low literacy rate has hampered women entrepreneurs in getting themselves adjusted to the technological developments, market trends and so on.
10. **Lack of Specialized Entrepreneurial Programmes:** There are very few institution who are arranging specialized entrepreneurial programmes for women entrepreneurs. Due to which entrepreneurial awareness among women are very less.
11. **Attitude of the Society Towards Women:** Even India is a secular country, in practice, castes and religious systems dominate with one another and it hinders women entrepreneurs.
12. **Government Procedures:** At Government level licensing authorities, labour officers and sales tax inspectors put all sorts of humiliating question which make the procedure lengthy, time and cost consuming.

### **Efforts should be Taken for the Growth of Women Entrepreneurship**

1. To treat women as specific target groups in all development programmes.
2. To provide training of entrepreneurship development for women at school and college level.
3. To properly diversify vocational training facilities for women to suit their varied needs and skills.
4. To put attention on women education.
5. Seminars and workshops should be arranged by GOs and NGOs for motivating women entrepreneurs to share their view and solution to the problems they face.
6. Arranging fair and exhibition for product produce by women.
7. Encouragement to establishment of more and more SHGs.
8. To encourage appropriate technologies, equipment and practice for increasing their efficiency and productivity.
9. To provide marketing assistance at the state level.
10. Recurring Gender sensitization programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.
11. A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
12. To increase women's participation in decision-making.



13. Training and counseling on a large scale of existing women entrepreneurs to remove psychological cause like lack of self-confidence and fear of failure.
14. Women co-operative societies must be set up by women for women to generate the finance and to solve the marketing problems also.
15. Group entrepreneurship through SHGs should be promoted to bring out the hidden talents of the individual entrepreneurs.
16. Special steps should be taken to change the mindset of the society in favour of women.

## CONCLUSION

The role of women entrepreneur in economic development is inevitable. Now-a-days women enter not only in selected professions but also in professions like trade, industry and engineering. Women are also willing to enter in business field and contribute to the nation's development. Women are having vast positive potential in them but traditions, customs and social barriers has bounded them to prove their talent. Women can put their remark in each and every field of life if they get a proper financial and moral support from family, government and society.

"When women are empowered, nation is empowered" as quoted by Ex-President Abdul Kalam in one of his speech, very true as the position of women and their status in any society is revealing an index of its civilization.

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## Development of Rural Women Entrepreneurship through Self Help Groups in Sangli District – A Case Study

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**Abstract:** Entrepreneurship is an essential part of economic development. It has to play a multi-dimensional role expecting multi-tasking with women entrepreneurs. Women entrepreneurship has been practiced recently in rural areas of Sangli District. Therefore, this study was conducted on economic development of rural women entrepreneurs who want to initiate collective efforts for raising economic status of entire society. This study focuses on analysis of activities of women centered self help groups in terms of their contribution in development of women in the society. Some of the institutions under study include Non Government Organization like IRCED, Government Agencies like NABARD, DCC, Public Sector Banks and some Private financing institutions.

Women entrepreneurial abilities can be observed through many activities. Some examples in this connection include, producing the goods like, processed food, milk products, veterinary services like dairy farming, poultry, natural manure & fertilizers (composed agricultural bio-waste), cattle rearing for fiber or meat, handloom units, carpet making units, general stores, etc. These units are carrying out their activities through the assistance of self help groups (SHGs). This study highlights on the role of NABARD in funding to self help groups through Sangli District Central Co-operative Bank.

The major issues were looked upon and majority of them were listed. Lack of techno-commercial know-how, tough competition from larger and established organizations, and lack of transport facility, socio-cultural issues, and non-availability of raw material were the significant problems faced by women SHGs. Common entrepreneurial problems can be dealt by formulating self help mutually aided groups. The entire structure of SHGs is very helpful in developing the lives of rural women who are either very close to poverty line or already living below it.

**Keywords:** Rural Women, Women Entrepreneurship, Self Help Group, NGO, Poverty line.

### INTRODUCTION

The development of the society is measured using various parameters like, health conditions, standard of living, education, literacy, economic development and others. The ever widening gap between rich and poor can be minimized only through the development of people near the poverty line. In other words, through economic development of the families, development of the society can be achieved. Traditionally, women are part of non-economical work done in each of the homes, popularly known as domestic work. It is a taboo for working or earning women in rural areas, where the women are just part of domestic chores. When the rural women folk have potential and capacity to earn, only a small

percentage contributes to the family income. The bitter part is that 3/5<sup>th</sup> of world poor are women. When the adult men are already busy at earning through various sources, the only earning alternative with the rural families is the women population. Therefore the development of rural women is essential in terms of economic independence/contribution to development of the families.

Lack of job opportunities in rural areas, especially to women have resulted in going for entrepreneurial venture, rather than search for jobs. Lack of this option will not lead to any further economical development. Women in particular are increasing in numbers in terms of literacy and the impact of modern media like TV are making them bold enough to get into earning member of the family. This helps them to gain trust, respect and confidence of the family and society.

When women, as a group come together with an objective to earn profit, through innovative ideas or products, that involve an amount of risks and responsibilities, which also would be leading to economic development of individuals and society, is women entrepreneurship.

The women are more dependable said Mr. Kiran Kulkarni (MD, IRCED), "usually women do not take loans, if so, and then they ensure that the banker should not come to door steps for recovery. Hence, the banks are more than ready to lend for women provided there is proper documentation and professional touch."

At present, poor people are bankable and that's why they are likely to have a better appreciation of their socio-economic situation. The idea of Self Help Group (SHG) has emerged as a suitable approach to make credit facilities available to the poor people at their door step in very simple and flexible manner.

The origin of SHG is from the Grameen Bank of Bangladesh, which was founded by Nobel Prize Winner Prof. Mohamamed Yunus of Chittangong University in 1975. The successes of Grameen bank in Bangladesh the impetus of SHG movement in India. Since Micro Finance is an effective instrument for empowerment of poor through self-employment. Initiative to prompt micro finance dates back to 1986 when NABARD conducted a study on the functioning of 50 SHGs and 46 Non Government organizations (NGOs) in 11 states. On the basis of study NABARD launched a pilot project in 1991-92 for credit linkages of SHG in Karnataka State. Later on that program has been replicated to other states throughout the country.

## **NABARD**

NABARD is set up as an apex Development Bank with a mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts.

With a capital base of ₹ 2,000 crores provided by the Government of India and Reserve Bank of India, it operates through its head office at Mumbai, 28 regional offices situated in state capitals and 391 district offices at districts.

## **Objectives of NABARD**

The rural financial system in the country calls for a strong and efficient credit delivery system, capable of taking care of the expanding and diverse credit needs of agriculture and rural development. More

than 50% of the rural credit is disbursed by the Co-operative Banks and Regional Rural Banks. NABARD is responsible for regulating and supervising the functions of Co-operative banks and RRBs. In this direction NABARD has been taking various initiatives in association with Government of India and RBI to improve the health of Co-operative banks and Regional Rural Banks.

### Role of NABARD

NABARD conducted studies in the mid-eighties that brought out the simple fact that the most important and immediate banking needs of the poor households, in the order of their priority and were accepted as major roles:

1. Opportunities to keep safe their occasional small surpluses in the form of thrift
2. Access to consumption loans to meet emergent needs and
3. Hassle-free access to financial services and products, including loans for micro-enterprises

### MICROFINANCE INSTITUTIONS IN INDIA

All of the Microfinance Institutes are private sector companies, exception is SKS Microfinance Ltd. They generate capital from various sources like share market, mutual funds, banks, government schemes, debts, etc. They route the investment to SHGs through own network of zonal, regional and local offices, having own staff for all the operative functions.

“Sharada's Women's Association for Weaker Section” is one among the top ranked in the world, as per Forbes List of MFIs (20<sup>th</sup> Dec, 2007). The major reason is very low non-performing assets. Their website boasts itself as 100% focus on women development and purely working on women segment, this is due to high rate of recovery of loans given to rural women SHGs.

Table 1: Indian Company in Forbes List of “Top 50 Microfinance Institutions”

Sr	Name of Organization	Ranking	Parameters			
			Scale	Efficiency	Risk	Returns
1	Bandhan (Society & NBFC)	2	108	49	42	1
2	Microcredit Foundation of India	13	75	142	7	185
3	Saadhana Microfinance Society	15	263	79	73	1
4	Grameen Koota	19	209	106	156	1
5	Sharada's Women's Association for Weaker Section	23	229	207	55	13
6	Asmitha Microfinance Ltd.	29	80	254	73	111
7	SKS Microfinance Limited	44	61	395	141	1

### Microfinance Institutions and NGO in Sangli

There are various institutions working on rural women and their development in Sangli District. Some of the leading institutions are mentioned below:

Table 2: Category of Existing Microfinance Institutions in Sangli District

Sr.	Name of Institution	Category	Role of Institution in women SHG development
1	Equitas Microfinance Company	Private Sector	Socio-Economic Development of SHGs depending directly on entrepreneurship.
2	Institute of Rural Credit & Entrepreneurship Development (IRCED)	NGO	Turn key projects to SHGs formation through providing continuous credit and training.
3	Grameen Koota	Private Sector	Total focus on rural development through SHGs.
4	DCC Bank, Sangli	Cooperative Bank	Forwarding grants to SHGs groups which are BPL.
5	State Bank of India	Public Sector Bank	Forwarding Credit and micro-loans to eligible SHGs
6	SKS Microfinance Ltd	Private Sector	Focus on Rural Women development through SHGs
7	ASMITA Microfinance	Private Sector	Focus on Rural Women development through SHGs
8	BALAJI Microfinance	Private Sector	Focus on rural development through SHGs
9	SPANDAN Society	Private Sector	Focus on rural Women development through SHGs
10	Suryodaya Society	Private Sector	Focus on rural development through SHGs
11	NABARD	Government	Microfinance for rural development through cooperative banks.

Source: Survey Study in Sangli District.

### SELF HELP GROUP (SHG)

The origin of SHG is from Grameen Bank of Bangladesh. In India NABARD has launched first in Karnataka and then in whole country the micro finance through co-operative banks to SHGs. The Sangli D.C.C Bank had created SHGs in the year 1999-2000. Bank has also given training to the employees and women of the Self Help Group.

The D.C.C Bank provides microfinance to poorer, low income group with the help of SHGs. District Central Co-operative Bank provides loan at 4% interest rate to SHG immediately. The main object of Self Help Group is that to provide finance in emergency.

### Characteristics of SHG

Generally SHG encompass several activities of men and women but the Indian focus is on financial aspects of SHGs. The silent features of SHGs are-

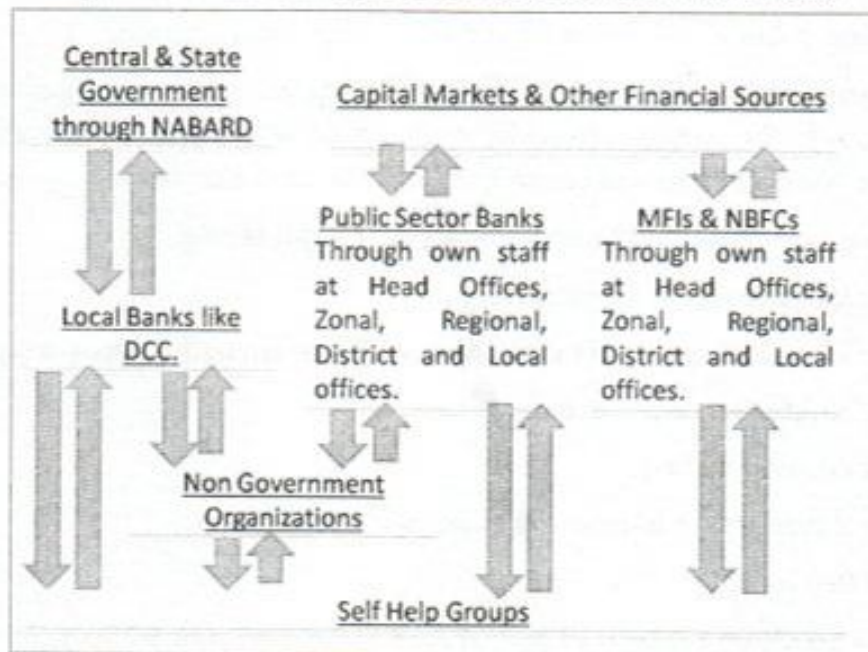
1. Homogeneous in terms of economic status and interest and an affinity group.
2. Primary saving attitude and habit among the members (saving first- credit later) should be the motto of every group member.

3. The ideal size of an SHG is 10 to 20 members.
4. They are non-political and voluntary and follow democratic culture.
5. Conduct generally weekly meetings. Every meeting, the group will discuss and try to find out solutions to the problems faced by the members of the group. The meeting mostly holds during non-working hours and compulsory attendance of members.
6. They create a common fund by contributing their small saving.
7. They have transparency in operations.
8. They have limited knowledge of each other's intrinsic strengths, needs and problems.
9. They have simple and responsive rules.
10. Collective decision-making.
11. Marketing driven rate of interest and as decided by the group.
12. Collateral free loans.
13. Loaning is mainly on the basis of mutual need to the rural poor without any tangible security.

### **IMPACT OF SHG LINKAGE PROGRAMS AND MICRO FINANCE**

Many organizations have made studies on SHG linkage program and micro finance and the important findings are:

1. It has reduced the poverty and many families come out of below poverty line category. It has also enabled the poor to build assets for generating income.
2. It has improved the rate of literacy and the families under SHG program have reported better school attendance and lower dropout.
3. It has empowered women by enhancing contribution to household income. The women are having better control in decision-making process of the family.
4. It has contributed in reduction of child mortality and improved maternal death. It has improved health, housing and nutrition.
5. It has reduced dependency on village moneylenders and other non-institutional sources. It has helped in building capacity of members.

**Diagram: 1 Inter-linkages between SHGs and Institutions**

### Problems Faced by SHG in Implementing Micro Finance

1. Limited scope for future growth in membership.
2. Probable misuse and diversion of funds.
3. Sometimes higher interest rates are charged as penalties or fines, which are imposed for delayed payment.
4. An inadequate market facility for the products and establishing a brand quality for the product is difficult.
5. SHGs do not have any legal status.
6. Group conflict and problem in electing and selecting the leader of the group.
7. Inadequate bank linkage program, inadequate networking, delay in execution of development of program and no training facilities.
8. General fear the members will not make productive use of loan, irregularity in attending the meetings, passive role while taking the decision in the meetings.

### PROBLEMS OF WOMAN ENTREPRENEUR

The women entrepreneurs are facing several socio-economical problems in India. The major problems are lack of know-how, illiteracy, health problems, financial, social, marketing, to name a few. A survey of 10 SHGs comprising 15 to 43 members in each of them has resulted in the data given below. A total of 50 respondents from all the 10 SHGs were considered for the study.

Table 3: Financial Problems of Women in SHGs (n=50)

Sr.	Nature of Problems	Respondents	
		No.	%
1	High Cost of Required Machine or Equipment	07	14
2	Long Term Finance /Loan/Credit Facility	06	12
3	High Cost of Financial Aid	16	32
4	Long Procedures and Complicated Methods of Availing Financial Aid, Documentation	21	42

Source: Study Survey

Table 4: Marketing Problems of Women in SHGs (n=50)

Sr.	Nature of Problems	Respondents	
		No.	%
1	Lack of Demand in Local Market (Same Taluka/ District)	04	08
2	Competition from Huge Organizations	09	18
3	Lack of Marketing Competency	16	32
4	Lack of Proper Transportation	06	12
5	Brand Awareness	15	30

Source: Study Survey

Table 5: Production Problems of Women in SHGs (n=50)

Sr.	Nature of Problems	Respondents	
		No.	%
1	Availability of Raw Material	02	04
2	Availability of Infrastructure	07	14
3	Availability of Machine Parts, Tools, Equipments	08	16
4	Continuous Handholding Professionals, Training	22	44
5	Fear of Advanced Technology	11	22

Source: Study Survey

Table 6: Social Problems of Women in SHGs (n=50)

Sr.	Nature of Problems	Respondents	
		No.	%
1	Dependability for Finance, Decisions, Others	13	26
2	Dominance of Male	13	26
3	Family Commitments	08	16
4	Personal Health Issues	05	10
5	Religious and Cultural Restrictions	11	22

Source: Study Survey



The above tables (3 to 6) show that the various problems faced by the rural women entrepreneurs are of socio-economic nature. As per this survey, the intensity of varied problems is different for each type. In the process of survey, it was found that:

1. The women are tough enough to face their internal, socio-cultural problems and find time from the domestic chores, to ensure economic development of the entire family. They are confident enough to face any issues that may arise.
2. The women are highly concerned with the issues of technical know-how of production and marketing functions. They are highly worried about financial constraints and subsidies available, if any. This is the area where they expect help from all the other institutions who will be helping in their development.

Besides the above difficulties the SHG movement empowered the women and the poor and contributes significantly in socio-economic development of the country

### Objectives of the Study

1. To study the rural women entrepreneurial development through SHG in Sangli District.
2. To study the role of institutions promoting and assisting rural women entrepreneurship through SHGs in Sangli District.
3. To study the socio-economical issues of women through SHGs in Sangli District.
4. To suggest possible steps in the linkages of institutions assisting rural women development and SHGs.

### Methodology

In order to achieve the above set objectives the following methodology has been adopted

1. *Primary Data*- In this study, the primary data is collected through discussion with the managers, and other respective officers at various institutions (GOs, NGO, MFI, SHGs). 50 women respondents were from 10 different SHGs, specifically from rural areas.
2. *Secondary Data*- Which is already published in some books, magazines etc. Here in this study secondary data is collected from books, annual reports of the Sangli D. C. C. Bank. A detailed list is provided in the reference column.

### A CASE STUDY ON ROLE OF DCC BANK, SANGLI

(With reference to micro financing and extending credit to SHGs in rural parts of Sangli district)

### Data Analysis and Interpretation

Table 7: Financial Data of District Central Co-operative Bank Ltd. Sangli (for last 4 years)  
(Amount in lakhs)

Sr.	Particulars	2006-07	2007-08	2008-09	2009-10
1.	Share Capital	4868.91	5131.41	5346.49	5647.10
2.	Reserve Fund	11064.99	12656.36	14743.67	16712.23

3.	Deposits	114448.38	123937.15	143778.46	187664.67
4.	Other Liabilities	21603.08	19664.34	15455.89	4462.44
5.	Investment	43141.24	54156.84	81837.96	97959.68
6.	Working Capital	164923.81	173881.41	19693.55	228172.28
7.	Gross Profit	1165.76	1783.46	1417.31	886.39
8.	Net Profit/Loss	-1378.04	-1302.23	-1964.98	-1703.59

Source: Annual Reports of Sangli D.C.C. Bank Ltd. Sangli

As from the above table we can see the financial position of the DCC Bank for last 4 years. The bank should try to improve its profit position by reducing NPA.

Table 8: Financial aid (₹ in lakhs) from D.C.C. Bank to APL Self Help Groups in Sangli District

Year	APL (SHG) Nos.	No. of Members	Owned Fund	Loan disbursed ( from Fund)	Recovery %
2007-08	15355	196754	4832.69	4250.51	99
2008-09	18107	236271	7028.97	6275.62	99
2009-10	19403	253686	9275.73	8363.46	98

Source: Annual Reports of Sangli D.C.C. Bank Ltd.

The above table shows the APL - SHGs in Sangli District their own funds deposited with D.C.C. Bank and loan disbursed from bank out of the owned funds, the recovery position etc. The recovery rate is satisfactory.

Table 9: Financial Assistance (₹ in lakhs) from D.C.C. Bank to BPL Self Help Groups

Year	BPL (SHG) Nos.	No. of Members	Owned Fund	Loan Disbursed (from Fund)	Recovery %
2007-08	1836	20048	457.63	377.59	96%
2008-09	2332	26430	663.55	575.28	99%
2009-10	2825	31013	918.26	782.61	98%

Source: Annual Reports of D.C.C. Bank Ltd. Sangli.

The above table shows the position of SHGs (BPL), their members and their funds, loan distribution from own funds and the recovery rate of such funds. The position of all aspects is compared for last three years. The number of groups, their members, their own funds and loans from funds are showing increasing trend.

Table 10: Loan Distribution and Recovery Position of Sangli D.C.C. Bank w.r.t. SHGs

(₹ in lakhs)

Year	Loan to SHGs BPL	Loan to SHGs APL	Recovery
2007-08	197.86	963.99	98%
2008-09	300.24	1141.44	98%
2009-10	230.52	961.51	99%

Source: Annual Reports of D.C.C. Bank Ltd., Sangli.

The above table shows the position of SHGs (BPL), SHGs (APL) and the loan amount distributed to these groups by the D.C.C bank and the recovery rate. During the year 2007-08 and 2008-09 loan

amount is increased but during the year 2009-10 it is decreased. The recovery rate of the loans during 2009-10 is improved by 1%.

The D.C.C bank is awarded by NABARD during the year 2006-07 and 2007-08 for best linkage of bank with SHGs. The bank has been linked with 19403 APL SHGs and 2825 BPL SHGs and distributed loan amount of ₹ 5347.86 lakhs to both types of groups during last 10 years since 1999 till the year ending March 2010.

## FINDINGS

1. There are many problems with rural women entrepreneurs who are related to SHGs. The major ones are related to know-how of Marketing, Production and Finance function.
2. There are nearly 7 commercial micro financing institutions, other than NABARD working through D.C.C. Bank and an NGO, in Sangli.
3. In the year 2006-07, the DCC bank has received second prize award for completing the target of 3800 groups and passing the loan of 3907 groups from NABARD.
4. In the economic year 2007-08 at the Golden Jubilee of civil self labour project continuously for the second time the Karandwadi village women's self help group had secured first position at divisional level.
5. The bank charge 4% of the rate of interest from SHGs which is as per guidelines from NABARD.
6. D.C.C. Bank has maintained separate department and staff for the purpose of micro-financing and follow-up of SHGs of Sangli district.
7. Women are 96% of the SHGs in Sangli district. There is definitely development of women through SHGs. This is due to combined efforts of NGO and GO. The commercial MFIs are also focusing on rural women for achieving their objectives.
8. The women are confident of solving their social & cultural, but are very much worried about Marketing and Production areas.
9. Food processing, textiles, spinning & weaving, agri-based businesses like manure manufacturing, dairy farming, cattle rearing, poultry, are the traditional businesses where the SHGs are presently concentrating. They are away from services focused or technology oriented new business areas due to lack of know-how.
10. There is only one NGO (IRCED) in Sangli district which works for credit and financing for rural women entrepreneurship development.

## SUGGESTIONS

1. D.C.C. Bank has a separate department for financing and follow-up of SHGs. Frequency of training and inspection should increased by D.C.C. Bank relating to BPL-SHG groups.

2. The Best Group Awarded should be declared by D.C.C. Bank for best performing SHG to motivate the groups.
3. The recovery rate of Loans and overdue in case of SHGs is very nice, still 100% recovery records should be maintained.
4. Success of SHGs will improve financial and social position of the members is covered through micro-financing.
5. Proper Co-ordination with NABARD and RBI should be maintained.
6. The numbers of BPL-SHG's should be increased as these are very less compare to APL groups.
7. Grants to BPL-SHG's should be increased from government.
8. Markets like exhibition-cum-sales are arranged by local organizations (NGOs), like, Krushnaai. The frequency is only once a year. More such opportunities should be made available for the SHGs.
9. Long term credit facility and long term financing are essential for those SHGs which are based more on seasonal products and have seasonal impact on their business.
10. The commercial MFIs and NGOs should more focus on turn-key projects which would develop confidence, and continuous training, motivation are essential. The branding, marketing, technical knowledge, are the areas in which the SHGs require training and hand-holding.
11. The number of MFIs and SHGs has rapidly increased in a very large scale; this reflects the success and is a litmus test for MFIs and rural women development in the Sangli District.
12. More NGOs similar to IRCED needs to be developed in Sangli district, atleast one per taluka. This will enhance the pace of development of rural women development.

## **CONCLUSIONS**

The SHGs reported a positive impact on standards of living in rural areas. It has improved in level of food intake, nutrition, dress pattern, children's education and health status etc. As per the guidelines of NABARD, the D.C.C. Bank helps for micro-financing which gives the financial aid to SHGs in Sangli District. The number of groups and their functions are increasing day by day which is the partial success of D.C.C. BANK. This has opened a new way for financial inclusion of weaker section of the society through micro-financing. The offices of MFIs are in smaller towns and taluka places, this also a parameter showing the rural participation in development.

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## A Study of Challenges for Small and Medium Scale Enterprises with Special Reference to Tier-II Auto Component Manufacturers

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**Abstract:** There are more than 8 million SMEs in India today – small companies that churn out auto components or electronic parts, garments, etc. – making manufacturing the biggest engine for job creation in our economy, and contribute to 60 per cent of India's exports. About 40 million workers are employed by the manufacturing sector, as per the National Sample Survey 2000.

These numbers have only increased in the intervening years. These are big numbers, with the latent potential to grow bigger, and signify one thing clearly: the SME sector can play a crucial role in the economic growth of India. On the other hand, globalization is increasing and competition is becoming more vigorous. To succeed in a competitive environment the manufacturing sector has to adopt some best practices and embrace some new age tools.

This study, Small and Medium Scale Enterprises (SMEs): Problems and Prospects, was undertaken to find out if the SME sub-sector has performed its critical role of driving the country's industrial transformation and development as it has done in other developed countries; and if not, why, and also to identify remedial measures.

The study thus investigated the performance of the Small and Medium Enterprises sub-sector, its problems and prospects and recommended measures to make the sub-sector virile and vibrant in order to play the crucial role it is expected to play.

The major findings of this study include the following: SMEs have played and continue to play significant roles in the growth, development and industrialization. By its less capital intensive and high labour absorption nature, SSI sector has made significant contributions to employment generation and also to rural industrialization. This sector is ideally suited to build on the strengths of our traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices. The diversity in production systems and demand structures will ensure long term co-existence of many layers of demand for consumer products/technologies/processes. However, the bugbear of the sector has been the inadequacies in capital, technology and educational qualification, multi layer outsourcing, weak maintenance policies etc.

Since Independence, there has been a widespread recognition in India that small enterprises could be engines of economic growth, job creation and relative prosperity.

Here the researcher had tried to investigate the areas of concern for the development of these SSI units and tried to identify the areas where these units should try to focus so as to improve their performance.

**Keywords:** Small and Medium Scale Enterprises, Auto Component Manufacturers.

## SWOT ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY

### Strengths

- (1) Establishing manufacturing base due to uninterrupted record of political stability over the past 58 years since independence
- (2) Low cost of production as compared to western countries in terms of labour and raw material
- (3) Availability of skilled and qualified manpower
- (4) Strong intrinsic capabilities of Indian Auto Industry are engineering skills and continuous improvement capabilities
- (5) Engineering Skills
- (6) Continuous Improvement Capability
- (7) High quality standards and capabilities of Indian suppliers aligned with global market needs (high operational capabilities)
- (8) Higher labour productivity
- (9) Superior operational efficiency
- (10) Multicultural, multiethnic society with a vibrant democracy and a free press that readily exposes its shortcomings.
- (11) Manufacturing capabilities with international quality standards.

### Weaknesses

- (1) Low investment in R&D – Indian auto component suppliers have not invested in R&D as compared to their foreign counterparts.
- (2) Relatively low FDI as compared to other low cost countries like China, Brazil etc.
- (3) Underlying processes and systems/applications (especially with unorganized sectors) are not flexible and responsive enough to meet global requirements.
- (4) Inadequate strategies to build up competencies in marketing, manufacturing engineering, and organizational capabilities (Contract Management/Risk Mitigation strategies).
- (5) Structural disadvantages like higher power cost, transaction costs, and indirect taxes.
- (6) Slow infrastructure growth: Relatively poor infrastructure like roads, ports, and railways, which impact logistics efficiency and costs.
- (7) Comparatively higher cost of capital.
- (8) Limited knowledge of product liability and offshore warranty handling.
- (9) Limited domestic market for various components inhibiting capacity creations.
- (10) Comparatively poor infrastructure for supply chain and exports.
- (11) Lack of experience in system integration.

### **Opportunities**

- (1) Continuous pressure on global OEMs and Tier 1s to reduce cost and source from low cost countries. The cost pressure on global auto makers and suppliers would drive them to out-source from low cost countries.
- (2) Automobile prices are expected to remain flat for the next 10 years despite addition of new features and need to comply for higher environmental and safety standards, which implies the need to find innovative ways to reduce total cost.
- (3) High frequency of newer models introduction and upgrading: Global auto majors are introducing new models and also upgrading their existing ones to expand their market.
- (4) Reputation of India as a brand is being built across sectors. This has a positive rub-off on the auto component sector as well.
- (5) Acquisition in foreign markets: Opportunity to buy sick plants in Europe/ North America and operate them in a cost-effective manner.
- (6) The growing need to outsource
- (7) Huge opportunity in the tier- 1 and tie 0.5
- (8) Global market opportunity itself is the ultimate opportunity provided by auto industry.
- (9) Leverage on product engineering expertise to improve the worthiness and exports of auto component.

### **Threats**

1. Competition from other low cost countries like China, Taiwan, Thailand etc.
2. Free Trade Agreements/Preferential Trade Agreements (FTA's)
3. Expansion of the European Union inclusion of Hungary, Czech Republic Poland etc which are major exporting countries to western Europe.
4. Appreciation of Rupee
5. Developments of new technologies like fuel cell, hydrogen powered vehicles, which may affect the auto component industry.
6. Large number of OEMs entering in Indian market may result into migration of talents from supplier to OEMs
7. New technologies
8. Government Policies
9. The higher demand due to global requirement may lead to rationing of domestic supply and hence, put pressure on input prices.

### **Objective of the Study**

1. To identify the challenges faced by the SSI units in auto component sector.
2. To study the profile of the proprietor



3. To study the impact of multi process operations on rejection of the component.
4. To study the impact of certification of vendor on quality
5. To study the capabilities of the employees employed in these units
6. To study the level of inventory maintained
7. To study the maintenance and calibration policy of these units

### **Universe**

There are close to 400 players in the organized sector i.e. tier-I and over 5,000 in the unorganized sector i.e. tier-II and tier-III. Players in organized sector supply to organized vehicle manufacturers directly. The unorganized sector, on the other hand, mostly has small units, producing low-technology components and supply to tier-I organized supplier and predominantly competing in after-market spare.

### **Sample Size**

112 number of tier-II manufacturer who falls under unorganized sector and who are suppliers to tier-I manufacturer.

### **SAMPLING TECHNIQUE USED**

It was not possible, nor it was necessary, to collect information from the total population. Instead, a smaller subgroup of the target population or a sample was selected for the purpose of study. Sampling is the strategy of selecting a smaller section of the population that will accurately represent the patterns of the target population at large. The main purpose of the sampling was to improve quality of data by focusing on a smaller group.

The research is about Automobile Sector in Pune region. Pune region has been selected as there are plenty of SSI's in this sector and secondly, the researcher found it convenient to focus on the region on the grounds of vicinity. In the context of the topic, vendors were identified at three different levels.

Though multi stage sampling is a part of random sampling the researcher has used multistage sampling for non random sampling for Tier-II vendors.

### **Sampling Design for Tier-II Vendors**

- $N = 1000$  approximate
- $n = 112$
- Sampling ratio 11.4%
- Sampling technique- Non random- Combination of convenience and Judgmental sampling.

### **DATA COLLECTION**

Data collection means gathering information to address those critical evaluation questions that you have identified earlier in the evaluation process. There are many methods available to gather

information, and a wide variety of information sources. The most important issue was to select the most appropriate information or evidence to answer the questions.

Taking into consideration all the facts the researcher has used.

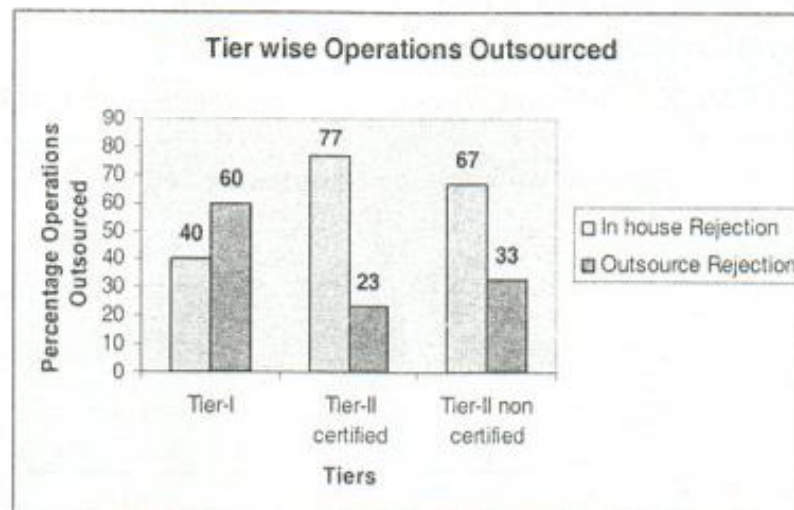
- (1) **Questionnaire:** A structured questionnaire was prepared.
- (2) **Records:** Information, data specifically related to the rejection rate and outsourcing tendency was taken from the records.
- (3) **Individual Interviews:** Individual's responses, opinions and views were considered.

### Data Analysis

**Multi layer structure:** The objective was to see number of tier involved in the processes.

From the data analysis it was revealed that there are minimum of 4 tiers (layers) involved in the process of auto component. Thus it can be concluded that components are further outsourced by the suppliers to the next tier on large scale.

**Comparison of Operations Outsourced by All the Tiers:** Comparison between certified and non certified suppliers has been done to find out whether there is any correlation between the certification and the percentage of outsourcing at tier-II supplier. The data for tier-I is also taken and compared with tier-II supplier.



After comparing the data it is observed that tier-I outsource maximum number of operations. When we further analyze the data for percentage operations out sourced by certified and non certified suppliers it is observed that outsourcing is greater in case of tier-II non certified suppliers than that of certified suppliers.

It is also observed that there is multi layer outsourcing which means tier-II suppliers further outsource to tier-III and tier-III further outsource to tier-IV suppliers but as these units are unorganized and do not have any data it was very difficult to get the data from these units hence the researcher had collected the data for tier-III suppliers from tier-II suppliers as this was available with tier-II suppliers but the data required data from tier-IV was not available.

### Proprietor Educational Qualification

It is found that tier-II suppliers who falls under unorganized SSI units 40% of such units are owned by non technical peoples. This is a large number.

Rejection by Tier-I, Tier-II and Tier-III Suppliers:

Tier	In House Rejection in PPM	Outsource Rejection in PPM
Tier-I	1062	2500
Tier-II	2500	5427
Tier-III	5427	

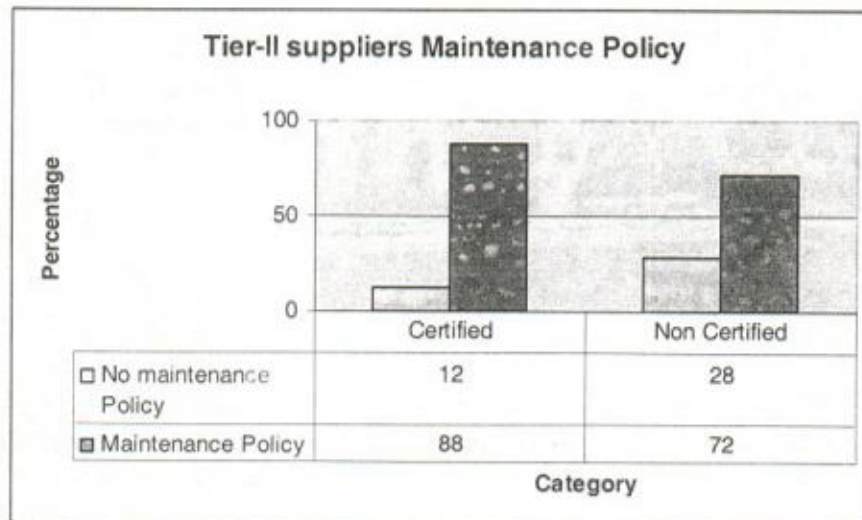
It is found that rejection is more in operations which are outsourced than those which are carried out "in house" irrespective of the level of tier. Further it is also found that average rejection increases with the increase in supply chain for both in-house and outsourced operations.

### Certification of Tier -II Supplier

From the above analysis it is observed that as number of tiers increases the proportion of certified supplier to non certified supplier falls. Thus researcher also wanted to find out what is the proportion of certified suppliers to non certified suppliers at tier-II. 52% of tier-II suppliers are certified where as 48% of tier-II supplier are not certified.

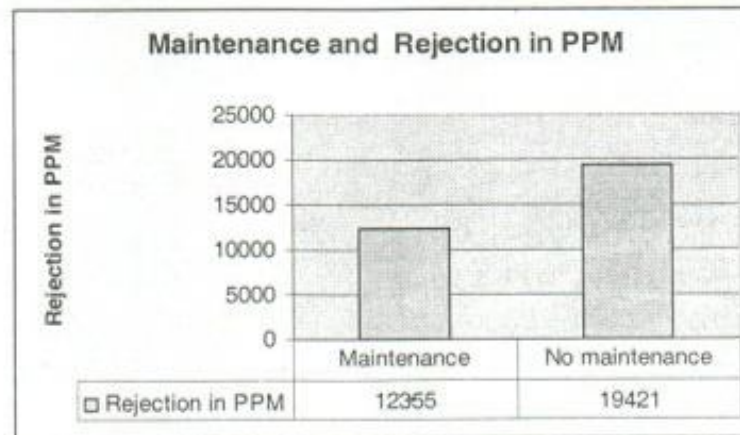
After analyzing and comparing the data for tier-I, tier-II suppliers it is found that as number of tiers increases the percentage of certified suppliers falls.

Tier-II Certified and Non Certified Suppliers Maintenance Policy



After comparing the data for certified and non certified suppliers it is found that adaptation of maintenance policy is more in case of certified supplier than that of non certified suppliers which is 88% for certified suppliers as compared to non certified suppliers which is 72%. But still there are suppliers who do not have a maintenance policy.

### Maintenance Policy and Rejection for Tier-II Supplier



After analyzing the data it is observed that rejection is more in case of suppliers who do not follow maintenance policy than that of suppliers following maintenance policy.

It is observed that adaptation of maintenance policy is more in case of certified supplier than that of non certified suppliers. Further it is also revealed that rejection is more in case of suppliers who do not follow maintenance policy than those suppliers following maintenance policy. Hence the researcher can conclude that rejection is more in case of tier-II non certified suppliers is due to non maintenance of the machines.

### Calibration of Measuring Instruments

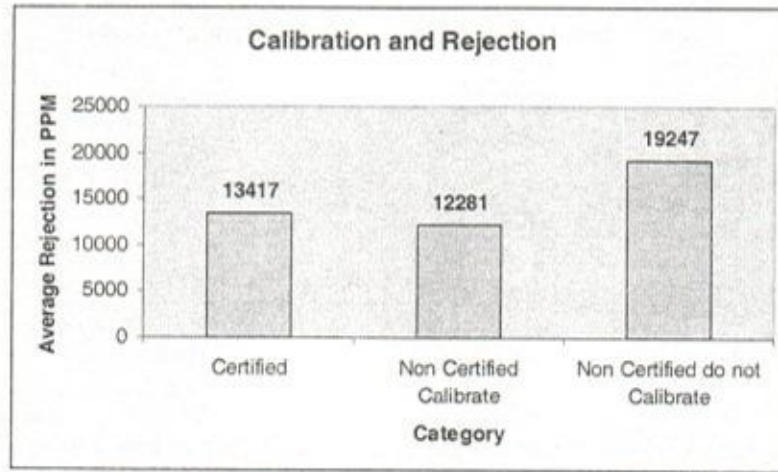
As we have collected the data on age of the machine, maintenance policy, and frequency of maintenance one more factor which plays an important role in quality of the product is calibration of the measuring instruments. Whichever technology one installs, whatever maintenance policy and frequency of maintenance you follow, if you are not maintaining the measuring instruments by calibrating it frequently in proper manner, everything will go waste; because the machine is going to perform its task properly the operator is also going to carry out the operations according to specifications, but if the measuring instruments are not going to show exact readings there are very high chances of rejection or rework which in both the cases will lead to losses.

Hence the researcher felt it necessary to find out the policy followed by the suppliers for calibrating the measuring instruments.

### Calibration of Measuring Instruments by Tier-II Suppliers

From data it is observed that calibration of measuring instruments is followed 100% by certified suppliers whereas only 79% of non certified suppliers do calibration of measuring instruments.

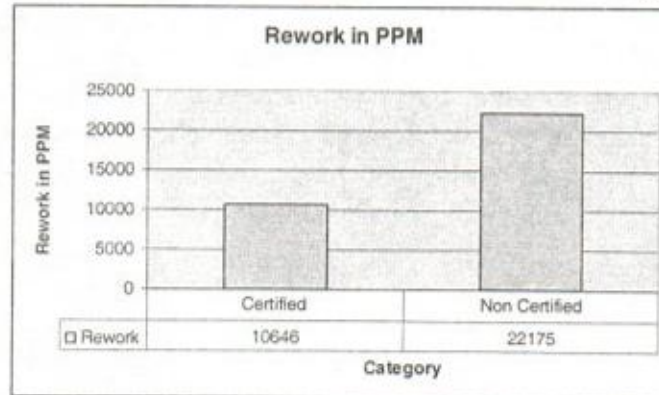
### Calibration of Measuring Instruments and Rejection



From data analysis it is observed that there is not much difference in rejection between certified and non certified suppliers who calibrate their measuring instruments. When we compare rejection between the two groups those who do calibration and those do not calibrate. It is observed that rejection is very high in case of suppliers who do not calibrate their measuring instruments. Rejection in case of non certified supplier who calibrates their measuring instruments when compared with certified is less.

#### Rework:

### Average Rework Rate of Certified and Non Certified Suppliers



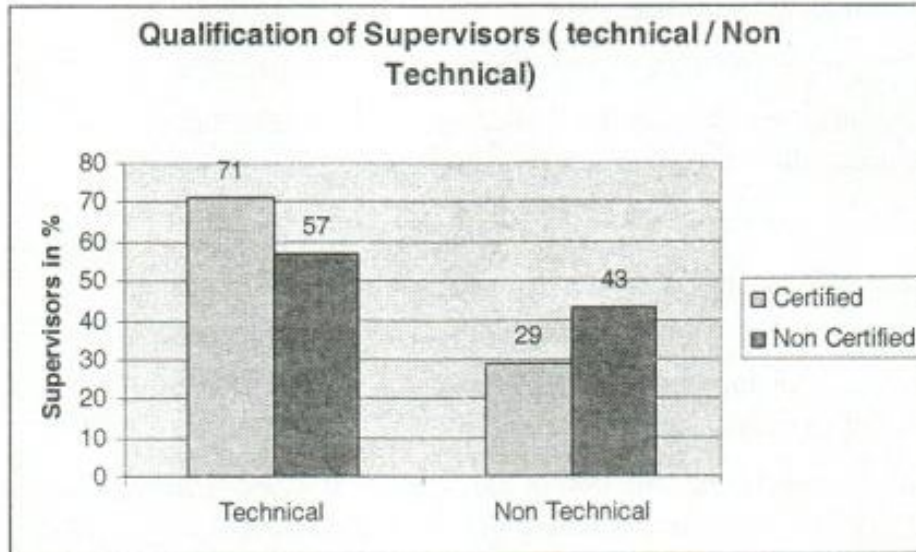
After analyzing the data for certified and non certified suppliers it is found that rework rate for non-certified suppliers is twice the rework rate of certified suppliers. Hence the researcher can conclude that rework is more in case of non certified suppliers which leads to an increase in processing cost of the component which leads to increase in cost or reduce in profit margin for the supplier.

**Comment:**

Rework in case of non certified supplier is more compared to certified suppliers hence while outsourcing the operations one should go for certified suppliers.

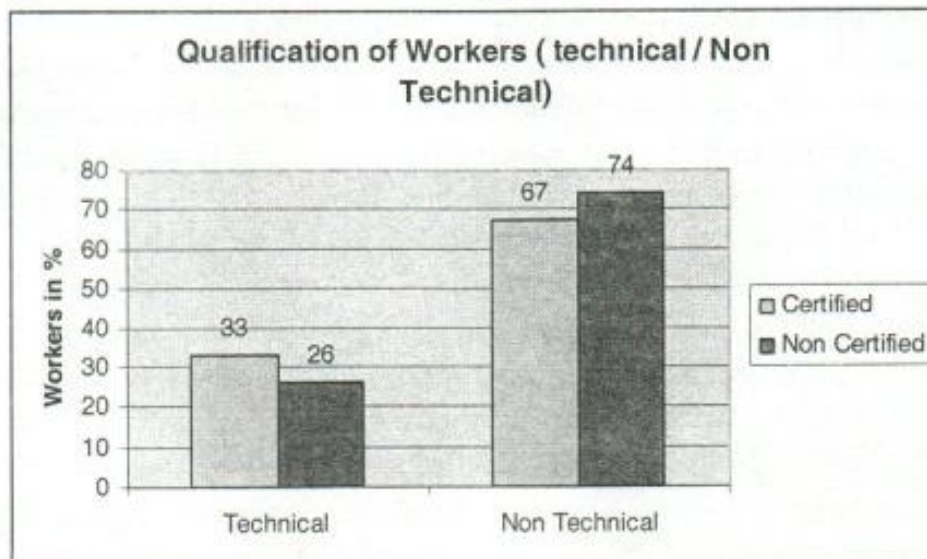
**Supervisor:**

**Qualification of Supervisors (Technical/Non-Technical) in Both Certified and Non Certified Suppliers**



After analyzing data for both the groups i.e. certified and non certified suppliers it is observed that 71% supervisors employed by certified supplier are technically qualified whereas only 57% supervisors employed by non certified suppliers are technically qualified. Thus it is revealed that certified supplier employ more number of technically qualified supervisors than non certified suppliers.

**Qualification of Workers (Technical/Non-Technical) in Both Certified and Non Certified Suppliers**



After analyzing the data for both the groups i.e. certified and non certified suppliers it is observed that only 33% workers employed by certified suppliers are technically qualified whereas only 26% workers employed by non certified suppliers are technically qualified. Thus it is revealed from data analysis that large number of workers employed in both the groups is not technically qualified.

## PERMANENT TO CONTRACTUAL WORKERS

From the data analysis it is observed that certified supplier's employ more number of contractual workers (55%) than permanent workers (45%).

Average distance travelled by the component during the processes:

It is observed that the average distance travelled by the component due to outsourcing from tier-I Till the last tier and back falls between 60 to 80 kilometers.

## Payments

It is revealed from the data that around 37% tier-II suppliers do not get payment in time. Hence it is very difficult to manage day to day expenses for these tier -II suppliers.

Inventory: Average inventory maintained by tier-II suppliers is 31 days of raw material, 16 days of work in process and 13 days of finished goods.

It is observed that even though one talk of JIT still tier-II supplier maintain average raw material inventory of 31 day, WIP inventory of 16 day and finished goods inventory of 13 day.

## FINDINGS

1. It is found that multi sourcing leads to more number of non certified suppliers. (Certification is essential requisite for Tier-I suppliers. It is obligatory and not mandatory for tier II and tier III suppliers in many cases).
2. It is observed that as number of tiers increase, rejection increases. Hence the researcher can conclude that multi tier outsourcing leads to an increase in rejection level.
3. It is found that percentage of suppliers following maintenance policy is less in case of non certified suppliers than that of certified suppliers. From the analysis it is also inferred that suppliers not following maintenance policy have to face higher rejection than those following maintenance policy.
4. When it comes to calibration of measuring instruments it is found that 100% certified suppliers calibrate their measuring instruments whereas only 79% non certified suppliers follow calibration of measuring instruments. (Some of the tier-II suppliers do not fully appreciate benefits of calibration of instruments. They consider it as an expense).
5. Rework in case of non certified supplier is more than that of certified supplier.
6. In case of supervisors, it is found that non certified suppliers employ less number of technically qualified supervisors than those of certified suppliers. It is found that suppliers employing more number of technically qualified supervisors have less rejection.
7. When we compare the rejection with the qualification of the operators, it is observed that suppliers employing large number of technically qualified operators have less rejection.

8. It is revealed from the data analysis that around 37% tier-II suppliers do not get payment in time. Hence it is very difficult to manage day to day expenses for these tier-II suppliers.

## CONCLUSION

1. It is also observed that non certified suppliers tap number of sources due to instability of orders. They are also not assured of constant flow of business as they don't have vendor code and hence it is observed that these suppliers take work from different companies at the same time. It is also observed that sometimes their orders are in excess of their capacity and at times their own facility is idle. One more reason for higher outsourcing is that they are not supplier for limited number of companies. The components which they get for operations are non uniform which requires different operation on different machines and also require different skill set which they do not possess. Hence their outsourcing is more as compared to the certified suppliers.
2. Small enterprises in India has a very simple structure one man strategic apex and is called as owner manager who is responsible for all the decisions regarding expansion of production facilities and hence, expected to possess the investment capabilities to search, identify, evaluate, select, negotiate and commission new production facilities.
3. The researcher concludes that calibration of measuring instruments play a very important role in reducing the rejection levels. But as per the data analysis it is observed that there are large number of suppliers who do not follow calibration of measuring instruments.
4. The researcher can conclude that one of the reasons, behind higher rejection at non certified suppliers is employment of larger number of non technical operators. (Role of skill, education and experience on quality and productivity is yet to be fully appreciated by many tier II and III vendors).
5. Finally the researcher concludes that SMEs have played and will continue to play significant roles in the growth, development and industrialization. However, the bugbear of the sector has been the inadequacies of capital, technology, low level of certification, educational qualification, multi layer outsourcing, week maintenance policies and calibration policy of measuring instruments etc if not given due importance it would be difficult for the survival of these industries in the long run.

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## Study of Characteristics of Rural Internet Users with Special Reference to Youths from Village Near Satara

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**Abstract:** Rural marketing in India is still limited to Van campaigning, participation in melas, wall paintings and those similar kinds of traditional ways of reaching to rural population. Time demands for some innovative means of reaching to rural consumers. Statistical report shows that the rural population contributed to only 5% of internet usage in year 2000, which over a period of 9 years has grown to healthy 36% and for the first time has overtaken the Internet usage in Urban areas. The figures may differ from report to report, but the fact remains that the no. of rural internet users increasing at faster pace. Today, though these figures share lesser part of the total rural population, in near future it will share significant part. This rural internet population is emerging as a new market segment. The present paper focuses on understanding the characteristics of this new segment, like their preferences of internet use, attitude towards internet advertising, attitude towards e-shopping. The sample comprises males and females in similar age group 20 to 25 years selected from village near Satara. It was found that male and female from targeted age group have similar preferences of internet use. Attitude towards internet advertising and e-shopping was not found satisfactory.

**Keywords:** Rural, Marketing, Internet, E-shopping, Internet advertising, Attitude.

### INTRODUCTION

Increasing purchasing power of rural customers has created lot of interest for rural marketers. But still the efforts to tap these ever increasing rural market are traditional. Limited research in analyzing demographic features of rural market may be the reason for this. With the changes in income levels other features of rural customers also changed, like lifestyle, brand consciousness, use of technology etc. With changing lifestyles and attitude of rural customer, marketers also have to change their strategies in targeting this customers. Marketers have to think about innovative ways of reaching to this segment. Various research reports depicts the increasing no of rural internet users. so it is clear that large portion of this rural population can be contacted through internet. But it needs careful analysis of this segment's characteristics and its preferences towards internet use. Present paper tries to explore this.

### Review of Literature

1. In 2006, Digitas undertook a proprietary research initiative to examine the attitudes and online behaviors associated with Internet usage to define a meaningful and actionable segmentation of Internet users. The primary research objective was to define a unique and actionable segmentation of Internet users, with secondary objectives focused on identifying key online

trends, attitudes, and behaviors. This white paper describes the resulting segmentation scheme and its implications for online advertisers.

2. Genevieve M. Johnson mentioned in his research article "College Student Internet Use: Convenience and Amusement" mentioned about college student's pattern of internet use. Author used Principal component analysis to reveal the patterns of online behaviour.
3. MD.Salleh Hassan and Hayrol Azril Mohamed Shaffril conducted the study for evaluating the impact of internet usage on agro business productivity and factors affecting it. They presented their research in the article entitled "Internet Usage among Agro-based Entrepreneur: Can it Affect Productivity?" Mean, percentage, frequency and independent t-test were generated to describe the general trend of the data. From the results obtained, the level of internet applications usage was at moderate level, while all of the eight internet applications listed in the study showed significant difference in term of internet potential contribution to agro-based productivity comparing between the users and non-users of the listed internet applications.
4. Sheri Lokken and 8 co authors published an online article naming "Rural Consumers' Attitudes toward the Internet for Information Search and Product Purchase". The purpose of the study was to examine the effects of hands-on trial of retail Web sites on attitudes toward Internet shopping. The hands-on trial resulted in positive changes in attitudes toward the Internet.

### Research Methodology

Present research undertaken with an objective

1. To study the characteristics of rural youth internet users.
2. To study the preferences of their internet use.
3. To study the attitude towards internet advertising.
4. To study the attitude towards e-shopping.

A Structured questionnaire was sent to 27 respondents. Out of which 24 respondents comprising 9 girls and 15 boys completed the questionnaire. Sample belonging to age group 20-25 years. Convenience sampling method is used. Youths were selected form the village near Satara.

### Data Analysis

Table 1: Place of using Internet

	Home	College	Workplace	Internet Cafe
Male	4	4	1	6
Female	2	3	0	4

Source: Primary Data

It is clear from above table 1, that the majority of respondents access internet at Internet cafe.

Table 2: Preferences towards Internet Use

Statement	Never		Rarely		Monthly		Weekly		Daily	
	Boy	Girl	Boy	Girl	Boy	Girl	Boy	Girl	Boy	Girl
I use internet for communicating with others through e mails, chatting and social medias.	0	0	0	0	0	0	9	6	6	3
I use internet for information search	0	0	0	0	0	0	6	5	9	4
I use internet for online shopping	15	9	0	0	0	0	0	0	0	0
I use internet for playing online games	8	4	5	4	2	1	0	0	0	0
I use internet for downloading songs and movies	0	0	1	1	0	0	2	1	12	7

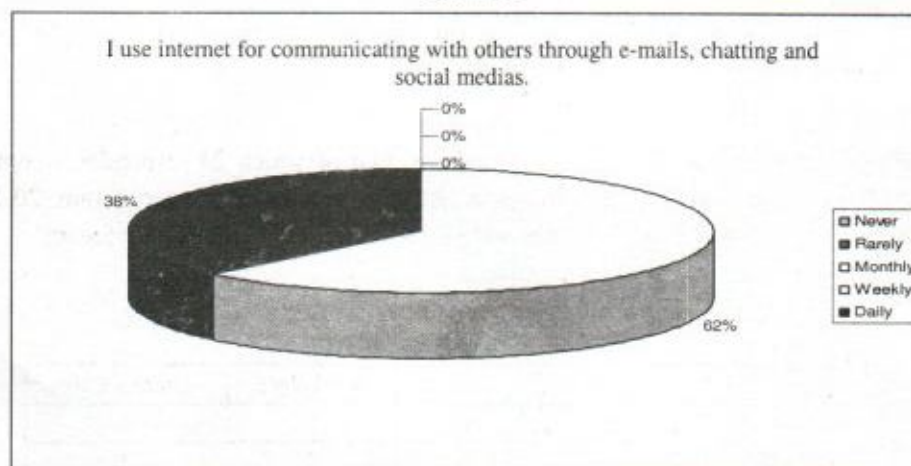
Source: Primary Data

Table 2 indicates the gender wise preferences of rural youths towards internet use.

It is clear from the table that the preferences towards internet use are similar among the boys and girls.

Above data is presented below without considering the gender differences, as there is no significant difference between preferences among boys and girl.

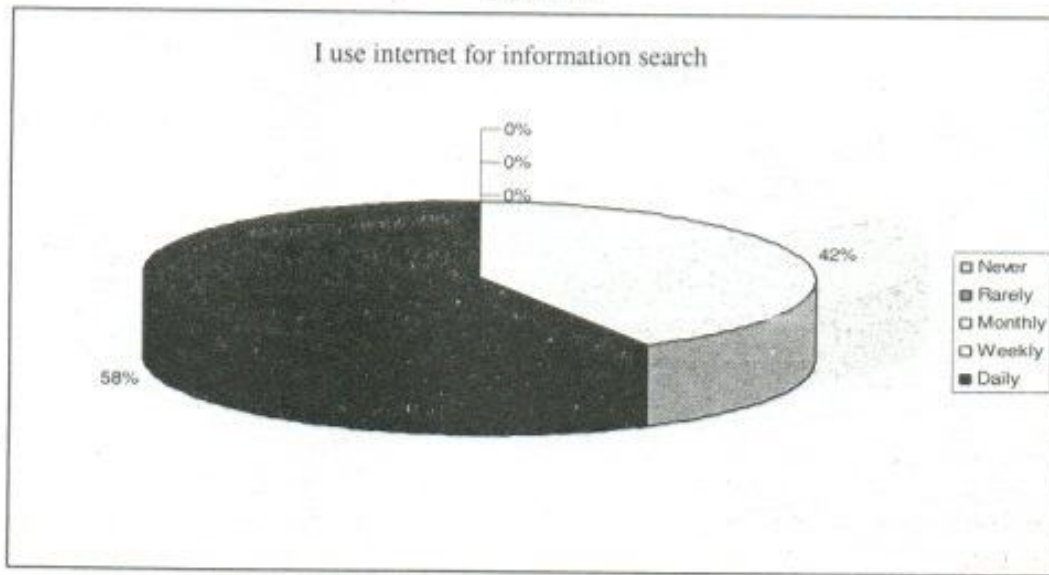
Chart 1



Source: Primary Data

Above chart 2, indicates that 62% respondents use internet weekly for communicating with others through e-mails, chatting and social medias. 38% daily use internet for communicating with others through e-mails, chatting and social medias.

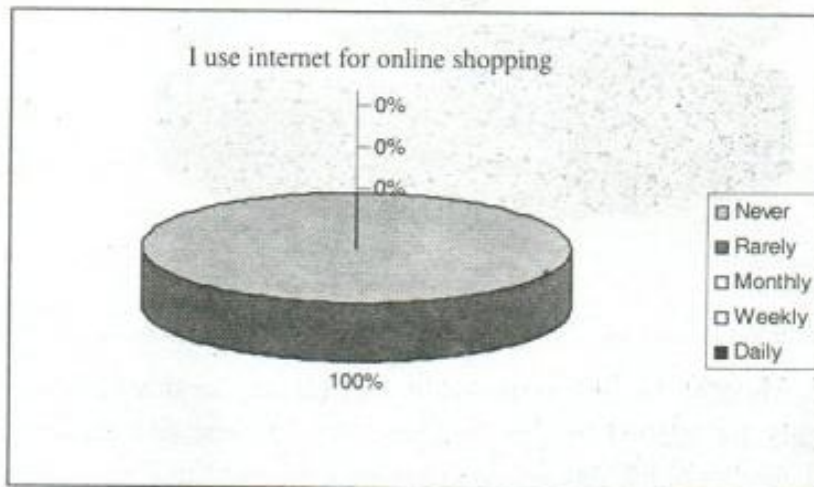
Chart 2



Source: Primary Data

Above chart 2 indicates that 58% respondents use internet daily for searching the information. 42% weekly use internet for searching the information. If we compare the graph 1 with 2, we would understand that respondents are more interested in searching the information daily than communicating with others. It means that respondents prefer to search information on internet than to communicate with others.

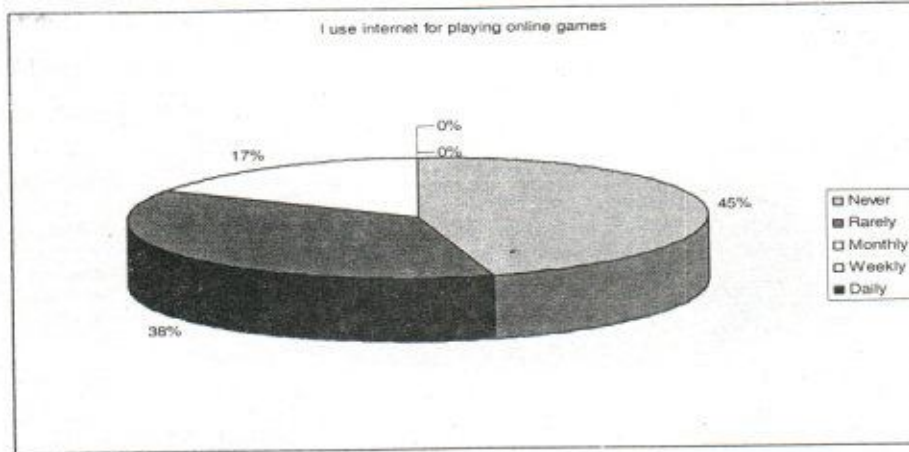
Chart 3



Source: Primary Data

Above chart 3 indicates that no respondents ever used internet for online shopping, It shows that respondents do not prefer to do online shopping,

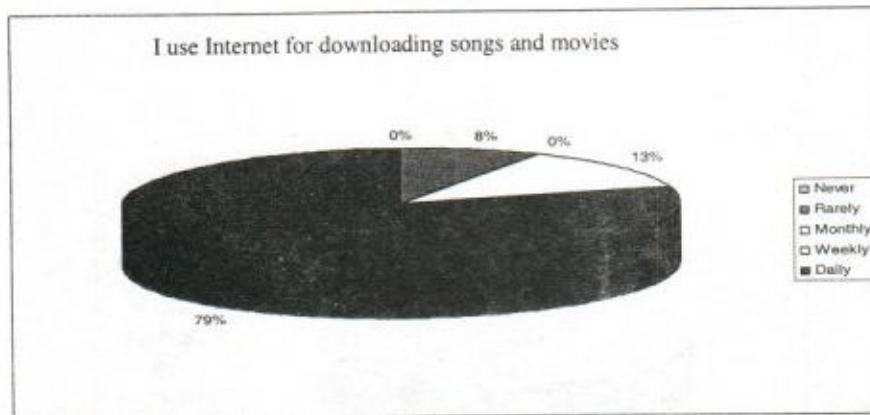
Chart 4



Source: Primary Data

Chart 4 presented above indicates that 45% respondents never used internet for playing online games. 38% respondents rarely used internet for playing online games. Only few i.e. 17% respondents used internet for playing online games.

Chart 5



As shown in chart 5, Majority i.e.79% respondents use internet for downloading songs and movies. These respondents daily use internet for this purpose. Only 13% use internet weekly for downloading songs and movies.8% rarely use internet for downloading songs and movies.

Table 3: Experiences of Respondents while Using Internet

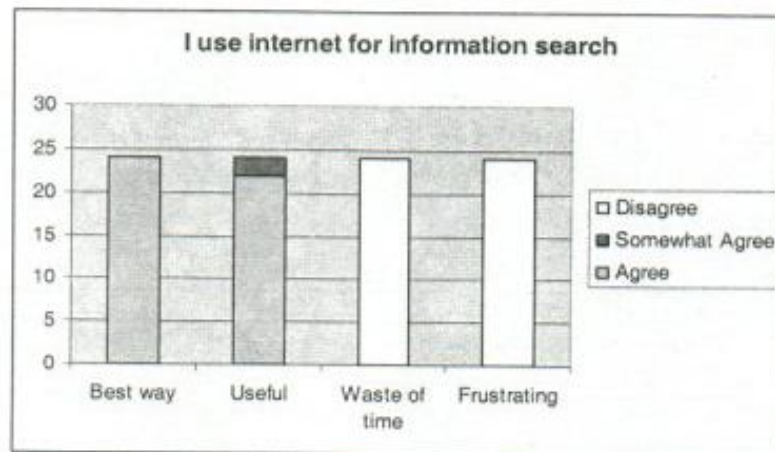
Opinion	Agree	Somewhat Agree	Disagree
I use the internet for communicating with others			
Best way	22	2	
Useful	20	4	
Waste of time	2	2	20

Frustrating			24
I use internet for information search			
Best way	24		
Useful	22	2	
Waste of time			24
Frustrating			24
I use internet for playing online games			
Best way	4	15	5
Useful	4	15	5
Waste of time	11	9	4
Frustrating		16	8
I use internet for downloading songs and movies			
Best way	22	2	
Useful	23		1
Waste of time		12	12
Frustrating		16	8

Source: Primary Data

Table 3 shows that majority of respondents feels that internet is the best and useful way of communicating with others. They not at all feel it as a waste of time and frustrating. It depicts that respondents have positive attitude towards internet while using it for communicating.

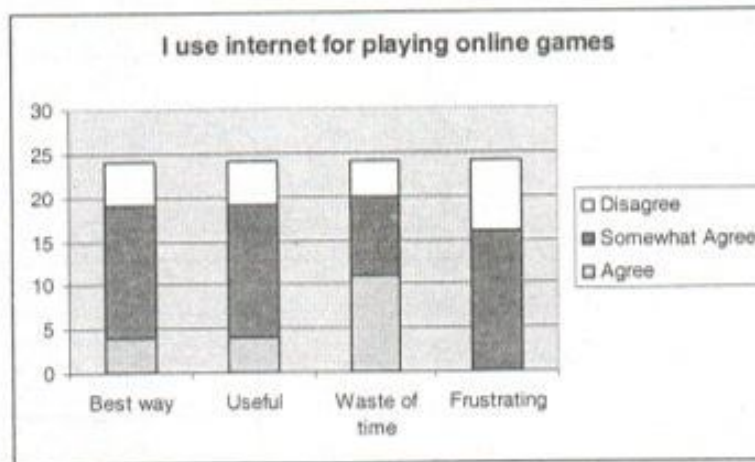
Chart 6



Source: Primary Data

As shown in the Chart 6 all the respondents feels that internet is the best way for searching the information. Respondents really found it useful for information search. They do not feel it as a waste of time and frustrating.

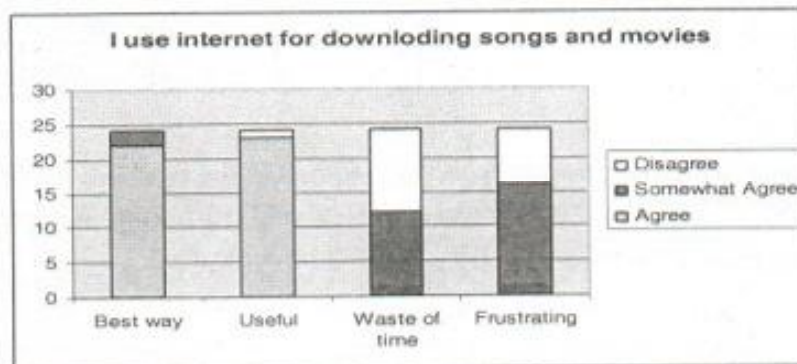
Chart 7



Source: Primary Data

As shown in the Chart 7 above, Respondents feels that using internet for playing online games is a waste of time, some also feel it as a frustrating. Very few feel it as a best and useful way.

Chart 8



Source: Primary Data

These respondents feel it as a useful way of downloading songs and movies. Still some respondents feel it as a waste of time and chart 8 indicates above majority of respondents feel that the internet is the best way of downloading songs and movies. frustrating experience.

Table 4: Rating of Internet Advertisements

Opinion	Agree	Somewhat Agree	Disagree
Useful	8	10	6
Attractive	9	3	12
Worth clicking	2	22	
Not worth to watch	12	9	3

Source: Primary Data

When respondents were asked to rate their views about internet advertisements majority of the respondents mentioned that internet advertisements are not so useful and attractive. Some of them do not found it worth to watch. Some do not prefer to click on it.

It indicates that respondents have negative attitude towards internet advertising Results.

Though it was found that attitude of respondents towards internet advertising and e-shopping not found satisfactory, marketers can think about internet as a media for reaching rural consumers. As research findings reveals that respondents have positive attitudes towards information search and downloading songs and movies form internet It assures rural marketers that internet as a media, if used effectively by various firms, it can prove beneficial to them.

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## Women's Journey from Welfare Enroute Development to Empowerment: an Insight

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### INTRODUCTION

Empowerment is now increasingly seen as a process by which the one's without power gain greater control over their lives. This means control over material assets, intellectual resources and ideology. It involves power to, power with and power within. Some define empowerment as a process of awareness and conscientization, of capacity building leading to greater participation, effective decision-making power and control leading to transformative action. This involves ability to get what one wants and to influence others on our concerns. With reference to women the power relation that has to be involved includes their lives at multiple levels, family, community, market and the state. Importantly it involves at the psychological level women's ability to assert themselves and this is constructed by the gender roles' assigned to her specially in a cultural which resists change like India.

Tulsidas' verse from Ramayana 'Dhol, janwar, shudra, pashu, nari ye sub nindan ke adhikari' highlights the discrimination and deep-rooted gender bias which still exists in all sectors on the basis of caste, community, religious affiliation and class. The Constitution of India grants equality to women in various fields of life. Yet a large number of women are either ill equipped or not in a position to propel themselves out of their traditionally unsatisfactory socio-economic conditions. They are poor, uneducated and insufficiently trained. They are often absorbed in the struggle to sustain the family physically and emotionally and as a rule are discouraged from taking interest in affairs outside home.

Empowerment would become more relevant if women are educated, better informed and can take rational decisions. It is also necessary to sensitize the other sex towards women. It is important to usher in changes in societal attitudes and perceptions with regard to the role of women in different spheres of life. Adjustments have to be made in traditional gender specific performance of tasks. A woman needs to be physically healthy so that she is able to take challenges of equality. But it is sadly lacking in a majority of women especially in the rural areas. They have unequal access to basic health resources and lack adequate counseling. The result is an increasing risk of unwanted and early pregnancies, HIV infection and other sexually transmitted diseases. The greatest challenge is to recognize the obstacles that stand in the way of their right to good health. To be useful to the family, community and the society, women must be provided with health care facilities.

A review of government's various programmes for women empowerment such as Swashakti, Swayamsidha, Streeshakti, Balika samrudhi yojana and another two thousand projects reveal that little

has been done or achieved through these programmes. The discrepancy in the ideology and practice of the empowerment policy of women in India constitutes its continued social, economic and social backwardness. Women make up 52% of our country's population. Hence there can be no progress unless their needs and interests are fully met. Empowerment would not hold any meaning unless they are made strong, alert and aware of their equal status in the society. Policies should be framed to bring them into the mainstream of society.

### **Review of Literature**

According to, Vinita Pandey stated in Journal of south Asia women studies- Empowering Women in India: Changing Horizons — The Kalanjiam Experience, Women's rights and issues have always been a subject of serious concern of academicians, intelligentsia and policy makers. From pastoral society to contemporary information and global society, the role of women has changed drastically. The role of a typical "Grihani" (house wife) who catered to all the requirements of the households including the rearing and upbringing of children in various sub roles of daughter, daughter-in-law, wife, mother, aunt etc. has been played quite efficiently. The continuity of changes in socio-economic and psycho-cultural aspects of human living has influenced the role of women. With the process of Industrialization, Modernization and Globalization showing its deep impact on the human society all over the world, the role and responsibilities of women has attained new definition and perspective. Further this has also led to addition of responsibilities and widened the role of women who also shares the financial responsibilities

### **STATEMENT OF RESEARCH PROBLEM**

The basic need of this paper presentation is to examine the changing role of women in Indian society. This concern is not merely academic but is central to the process of emerging development in India. There is a need to critically evaluate the various plans/ programs undertaken for emancipation of women in India and also make a SWOT analysis of the position of women in India at present.

### **Research Methodology**

Research is undertaken with following objectives:

1. To know the basic changes in the status and role of women in our society in past decades.
2. To identify different components of women empowerment.
3. To study the various categories/fields of women empowerment.
4. To study SWOT analysis on empowerment of women in India.

Research is moreover based on secondary data

### **THEORETICAL BACKGROUND**

#### **Women and Empowerment**

The primary task of the development is initiating the process of awareness, building of education, of people forming their own organization to define and create demand what they need to lead a descent life. People's participation in rural development, particularly by the rural women, will not

automatically flow. Concrete efforts are needed to empower women to get involved in all aspects of development. Development should ultimately become process of empowerment.

### **Components of Women Empowerment**

The empowerment process encompasses several mutually reinforcing components but begins with and is supported by economic independence which implies access and control over production resources

#### Awareness building: About

- Situation of women
- Discrimination of women
- Rights of women
- Opportunities to the women
- Importance of gender equality

#### Organizing a group

- Collectively
- Group identity and
- Group pressure

#### Capacity building and skill development

- Action plan
- To decide
- To organize
- Ability to manage
- Ability to carry out activities
- Ability to deal with people/institutions in the world around them

#### Participation

- In decision making at home
- In decision making in the community
- In decision making in the society

#### Access and control

- Over resources
- Over means of productivity
- Over distribution

#### Categories of empowerment

- There are three major categories of empowerment of women
- Social empowerment
- Economical empowerment
- Political empowerment

### **Social Empowerment**

The indicators of social empowerment of women include the base of gender inequality, sex ratios, life expectancy rates and fertility rates which shows the general status of women in terms of literacy, economic growth, availability of health care and birth control facilities, educational status of women, age at marriage, literacy rates and participation of women outside the home. Gender inequality is a worldwide phenomenon and leaving aside some Nordic nations, gender inequality base reflects very poorly for almost all major countries in the world. Sex ratio is against women in Asia and even though life expectancy has gone up around the world including in Asia it has not improved the overall status of women in much of the world. Same is the case with fertility rates which have declined in some regions including Asia but the positive impact of this change on women around the world is not as much as that was desired. Glaring gender gap exists in terms of literacy rates though it is narrowing across Asia. The figures for female literacy rates are not at all encouraging in the developing world. Now let's focus on various issues that are closely associated with the social empowerment of women

### **Economical Empowerment**

Women economic power also enhances the "wealth and well-being of nations." Women who control their own income tend to have fewer children, and fertility rates have shown to be inversely related to national income growth. Women are also more able - and generally more willing than male counterparts - to send daughters as well as sons to school, even when they earn less than men. In turn, a woman's level of education affects her decision-making process when it comes to questions about contraception, age of marriage, fertility, child mortality, modern sector employment and earnings.

But women's economic empowerment must not be examined in a vacuum. Unfortunately, widespread cultural and economic practices work to prevent empowerment. To fully assess the opportunities and obstacles that exist, the intersection of political, social/cultural and environmental conditions must be analyzed alongside traditional economic indicators.

### **Political Empowerment**

India has seen a consistent struggle for a constitutional amendment to reserve one third of seats for women in parliament and state legislatures. The Common Minimum Programme of United Progressive Alliance government has also promised enactment of legislation to reserve one third of seats to women. It is rather surprising that in the parliamentary history of India women's reservation bill is the only bill that failed to become an act despite a clear parliamentary majority for it. The flimsy reasons given by the successive governments reveal the lack of political will. The successive governments have been arguing that this bill could not be enacted due to lack of political consensus. No where it is written in the constitution or in the law that a bill can be enacted only if there is a political consensus. In fact, many Acts were made despite strongest opposition to them in parliament. The controversial POTA Act, the Insurance Regulatory and Development Authority Act, the Patent Amendment Act, etc are only few examples. Why should the rule of political consensus be applicable to women's reservation bill? Though the political parties are publicly expressing support to the bill, there is a strong resistance within the major political parties. The patriarchal political value system is

the only hindrance in achieving political empowerment of women. Let's first look at the major arguments against the bill.

### **Agents of Empowerment**

Agents of empowerment can be classified into two, namely external and self motivation.

### **EXTERNAL AGENTS**

The external agents are Government/Semi government agents and non-governmental organization. The external agents empower women through

- Legislation
- Policy
- Special programmes and
- Positive discrimination for women

### **Self Motivation**

Self motivation (with or without NGOs) includes

- Self - help groups
- Thrift and credit groups.

### **Constraints of Empowerments**

- Low education of the women,
- Poor skills of women
- Poor information base to the women
- Poor exposure to the women
- Available time to the women
- Transfer of technology causes replacement of women
- Women won't have any production in informal sector
- No relief due to drudgery
- Family responsibility
- Low mobility,
- Low ability to bear risk

### **SWOT ANALYSIS ON EMPOWERMENT OF WOMEN IN INDIA**

Worthiness of empowerment of women in India has to be judged in the following SWOT analysis. Strength and weakness are the internal whereas opportunities and threats are the external problems

### **Strengths**

1. Women folk constitute a significant part of total labor force
2. The employment in the organized sector requires certain minimum qualification and most of the educated women are drawn from middle classes and richer sections
3. Employment of women in unorganized sector has been increasing for the last few decades.
4. Education and social status of women has been increasing
5. In many cases, the spouses and the family members support the lead of women in finding solutions to the various problems and consequently the women gain equal opportunity to take part in decision making on both domestic and community matters.

### **Weaknesses**

1. In the male dominated society, women are supposed to remain in four walls of their households or help in husband's jobs particularly at farm. Women has been subject to inequalities and subsidiary status related to man, within the family and outside in the society
2. Today, nobody may deny the need for women's education. But still, there is a feeling that providing education to women is a luxury which the rich may afford for their girls and poor do not bother to provide the facilities of education for their girl children.

### **Opportunities**

1. When India began to plan for its future development, it was clearly understood that unfulfillment of women is an equally important factor for the nations development. Welfare was the earliest policy approach for the women which is still the prevalent one
2. The first five year plan (1951-56) envisaged various welfare schemes for women. It planned for the development of material and child health and family planning services
3. In 1953, the central social welfare board (CSWB) was said to chalk out various welfare programmes for development of women
4. The eight plan (1992-97) shifted the focus from development to empowerment
5. In 1990, the national commission for women act was enacted
6. In 1991, a national plan for action for SAARC decade of the girl child (1991-2000) was formulated by the department of women and child development
7. In 1996, the draft of national policy for empowerment of women was finalized

### **Threats**

1. In most of the cases, employers in private sector adopt policy of biasedness in providing employment to the women. Even having some academic and technical qualification, women are not offered the employment equal to the status of the men.
2. It can be observed in unorganized sector that in wage payments, discrimination exists on the basis of sex.

3. Regarding the kind of work opportunities open to urban women working in unorganized sector, very often the choice is made for them in the sense that they go for the type of work of their parents or relatives are involved in what even the occupation they manage to enter, their work is generally unskilled, low paying and physically exhausting.

## ROLE MODELS OF WOMEN EMPOWERMENT

**Savitribai Phule:** Savitribai Phule was the social reformer of the India who was born in a wealthy farmer's family. She was first female teacher of India's first women school. She was married at very tender age of 9 to Jyotiba Phule. Savitribai was also a poet and her husband encouraged her to get properly educated and engage herself in the liberalization of the female folk of Naigaum. In the year 1852, a school for untouchable girls was opened by her.

**Pratibhatai Patil:** Pratibha Devisingh Patil (born December 19, 1934) is an Indian National Congress politician who is the candidate of the ruling United Progressive Alliance and the Left Front for President of India. The presidential election is to take place on 19 July 2007. A lawyer by training, she was the 16th Governor of Rajasthan and its first female governor. She was deputy chairperson of the Rajya Sabha between 1986 and 1988.

**Sonia Gandhi:** She is the President of Indian National Congress, one of the major political parties of India. She is Italian-born daughter-in-law of the late Prime Minister of India, Mrs. Indira Gandhi. After her husband Rajiv Gandhi's assassination in 1991, she was invited by the Indian Congress Party to take over the Congress but she refused and publicly stayed away from politics amidst constant prodding by the Congress. She finally agreed to join politics in 1997 and in 1998; she was elected as the leader

Since then, she has been the President of the Indian National Congress Party becoming the longest serving President in September 2010. She has served as the Chairperson of the ruling United Progressive Alliance in the Lok Sabha since 2004. In September 2010, on being re-elected for the fourth time, she became the longest serving president in the 125-year history of the Congress party.

Gandhi was named the third most powerful woman in the world by Forbes magazine in the year 2004 and was ranked 6th in 2007. In 2010, Gandhi ranked as the ninth most powerful person on the planet by Forbes Magazine. She was also named among the Time 100 most influential people in the world for the years 2007 and 2008. The British magazine New Statesman listed Sonia Gandhi at number 29th in their annual survey of "The World's 50 Most Influential Figures" in the year 2001

**Medha Patkar:** Medha Patkar was born in Mumbai, India to Indu and Vasant Khanolkar, a trade union leader and freedom fighter. She was raised by politically and socially active parents. Her father actively fought in the Indian Independence Movement. Her mother was a member of Swadar, an organization setup to help and assist women suffering difficult circumstances arising out of financial, educational, and health related problems. Her parents' activism played a role in shaping her philosophical view. She did her M.A. in Social Work from Tata Institute of Social Sciences.

**Ekta Kapoor:** She started her career at the early age of 17. In the beginning she tried her luck by attending the shoots of Kailash Surendranath, the add and feature film maker- but failed. Then with the

advice and financial help of her father Ekta started of with her own business of TV serial production by the names of Balaji Creations.

**Indra Nooyi:** This Madras born woman was a straight "A" student in her school. Nooyi did her bachelors from Madras Christian College and MBA from Indian Institute of Management, Calcutta. Nooyi then went to USA and attended Yale University. From Yale, she obtained degree on management. This brilliant corporate woman started her career in Boston Consulting Group and moved on to Motorola and Asea Brown Boveri. She joined Pepsi Co. in 1994. She turned the company into a bold risk taker. In 1998, Pepsi acquired Tropicana. In 1997, Pepsi started its own fast food chain. In 2001, she became President of Pepsi Cola. Wall Street Journal included her name in their top 50 women to watch in 2005. Fortune magazine declared her 11th most powerful women in business.

**Anu Aga:** Like Vidya Manohar Chabaria, this woman also became the Chairperson of Thermax Engineering after the death of her husband Rohinton Aga. The company's condition was critical at that time. Its share price dipped to ₹ 36 from ₹ 400. Anu Aga, the then Director of Human Resource, Thermax, was compelled to take charge of the company. In order to make the company profitable, she brought a consultant from abroad and restructured the company. The strategy worked and the company saw profit again. She stepped down from the post of chairperson in 2004. Now, she spends most of her time in social activities. Bombay Management Association awarded her Management Woman Achiever of the Year Award 2002-2003.

**Kiran Muzumdar Shaw:** She is the first female master brewer and the richest woman in India. Her father was a master brewer and he encouraged her to get into this profession. Shaw obtained her Honors degree in Zoology from Bangalore University. Then she went to Ballarat University to study brewery. Her first job was in Carlton & United Beverages in 1974, as a trainee brewer. She started her firm Biocon India in 1978 in her garage. When she applied for loan to the banks, she was turned down. At that time, biotechnology was not known in India and she was a female and her company did not have much assets.

**Shehnaz Hussain:** She is one of the most prominent personalities of the corporate world. She is making a constant effort to beautify the skin of people with her beauty products. Her companies, Shehnaz Hussain herbals, are the largest of its kind in the world and have a strong presence in over 100 countries, from the U.S to Asia.

## CONCLUSION

1. There has been shift in policy approaches from the concept of 'welfare' in the seventies to 'development' in the eighties and now to 'empowerment' in the nineties. This process has been further accelerated with some sections of women becoming increasingly self-conscious of their discrimination in several areas of family and public life. They are also in a position to mobilize themselves on issues that can affect their overall position.
2. Women in India now participate in all activities such as education, politics, media, art and culture, service sectors, science and technology, etc



3. In the area of women's empowerment, it is increasingly becoming recognized that women should both empower themselves and 'be empowered'. This relates both to individual (such as increasing individual civic competencies) and collective empowerment (such as networking). Empowerment also involves creating a conducive environment so that women can use these competencies to address the fundamental problems of society at par with their male counterparts.
4. It follows therefore that building the analytical, political, advocacy, leadership, networking and other competencies of women is just as important or even more important than increasing women's numbers in high policy and decision making bodies and institutions. It can even be argued that these qualitative factors provide the foundation for sustainable improvements in the position of women

Achieving change requires policy and programme actions that will improve women's access to secure livelihoods and economic resources, alleviate their extreme responsibilities with regard to housework, remove legal impediments to their participation in public life and raise social awareness through effective programmes of education and mass communication. In addition, improving the status of women also enhances their decision-making capacity at all levels and all spheres of life, especially in the area of sexuality and reproduction. This, in turn, is essential for the long-term success of population programmes. Experience shows that population and development programmes are most effective when steps have simultaneously been taken to improve the status of women."

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## An Overview of BSE SME Exchange in India

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**Abstract:** This paper reviews the current situation of BSE SME (Small and Medium Enterprises) Exchange. SMEs in India play a vital role in the development of the country, as they contribute 45 per cent of industrial output, 40 per cent of exports, employ 60 million people and create 1.3 million jobs every year. The SME Exchange is just what was needed to support SMEs to access capital.

The BSE applied for permission for an SME Exchange in July 2010. The Bombay Stock Exchange (BSE) received SEBI approval for its proposed SME Exchange on 28 Sep 2011. The BSE SME platform provides a great opportunity to small entrepreneurs to raise equity capital for growth and expansion. It also provides an immense opportunity to investors to identify and invest in good companies.

BSE targeting small industrial towns and cities like Pantnagar, Dehradun and Haridwar in Uttarakhand to encourage them to raise capital through the SME Exchange.

This paper takes into consideration need for SME Exchange in India. India is a developing country, so what will be effect of SME Exchange on Indian economy, positive as well as negative. This paper focused on benefits enjoyed by the Small and Medium Enterprises through BSE SME. This research also focuses on special provisions provided by SEBI to SME exchange.

**Keywords:** SME, BSE SME, SEBI, Benefits of Listing at BSE SME Platform, Effect of SME Exchange.

### INTRODUCTION TO SME- (SMALL AND MEDIUM ENTERPRISES)

India is a developing country now moving towards development country. If we analyze in detail about the growth of India & contributors in this growth, we will realize that Small scale Industries are the biggest contributors in GDP & Export on India. After the MSME Development Act 2006 came into force the term SSI has been substituted with Micro, Small & Medium Enterprises (MSME). According to 4th All India Census of MSME there were 2.61 crore MSMEs till 2006-07.

Small and medium enterprises (SMEs), particularly in developing countries, are the backbone of the nation's economy. They constitute the bulk of the industrial base and also contribute significantly to their Gross Domestic Product (GDP) or Gross National Product (GNP). Micro, Small and Medium Enterprises (MSMEs) contributes 8% of the country's GDP, 45% of the manufactured output and 40% of our exports. It provides employment to about 6 cr. People. The Micro Small and Medium Enterprise (MSME) sector forms the largest generator of employment in the Indian economy. It forms a major portion of the industrial activity.

An SME exchange is a stock exchange dedicated for trading the shares of small and medium scale enterprises (SMEs) who, otherwise, find it difficult to get listed in the main exchanges like BSE, NSE etc. The concept originated from the difficulties faced by SMEs in gaining visibility or attracting sufficient trading volumes when listed along with other stocks in the main exchanges.

To establish BSE SME Exchange SEBI studied world existing, SME Exchanges like AIM (London), Canada (TSXV), Hong Kong (GEM), Japan (Mothers), Korea (KOSDAQ) and US (NASDAQ), to understand in detail their salient features, best practices and their business model. Learning's from the OTCEL, the capital market realities, and difficulties faced by SMEs have been taken into account while formulating the BSE SME Exchange in the Indian context.

### **Literature Review**

Small industry sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification. By its less capital intensive and high labor absorption nature, SSI sector has made significant contributions to employment generation and also to rural industrialization.

As per Vidya & shashidhar, under the changing economic scenario, SSI has both the challenges and opportunities before them. The business can compete on cost, quality and products at domestic and international level only if ideal investment in technology production process, R&D and marketing are made. Infrastructure bottlenecks are not completely solved.

As per fourth census sickness in MSME are lack of demand and shortage of working capital. The MSME need a one source from which, these enterprises will get help in coming out from this sickness.

As per Bhartendra Kumar Gupta, in view of the aforesaid concerns raised by the market participants/industry representatives, there is a felt need for developing a dedicated stock exchange for the SME sector so that SMEs can access capital markets easily, quickly and at lower costs. Such dedicated SME exchange is expected to provide better, focused and cost effective service to the SME sector.

Internationally also countries have provided for a separate exchange/trading platform to facilitate listing of securities of growth companies/new economy companies/small and medium companies. Some of the cases in point are the Alternative Investment Market (AIM), London, the Growth Enterprises Market (GEM), Hong Kong and MOTHERS, JAPAN. Out of these, the GEM is a separate dedicated stock exchange whereas the AIM and the MOTHERS are trading platforms of their respective main stock exchanges.

As per Harish, the SME Exchange set up by Bombay Stock Exchange (BSE) will enable small and medium enterprises to float Initial Public Offers (IPO) in which the retail investors can participate and according to an official estimate, there are around 260 million SME units in the country out of which over one million have the potential to get listed on this exchange.

The study was to examine the effects of hands-on trial of retail Web sites on attitudes towards Internet shopping. The hands-on trial resulted in positive changes in attitudes towards the Internet.

## NEED FOR SME EXCHANGE

1. Provide SMEs with equity financing opportunities to grow their business – from expansion to acquisition.
2. Equity Financing will lower the Debt burden leading to lower financing cost and healthier balance sheet.
3. Expand investors' base which in turn will help for getting secondary equity financing, including private placement.
4. Enhance Company's visibility. Media coverage can provide SMEs with greater profile and credibility leading to increase in the value of the shares.
5. Incentive for greater venture capital participation by providing them an exit route.
6. Greater incentive for the employees as they can participate in the ownership of the company and benefit from being shareholders.
7. Encourage innovation and entrepreneurial spirit.
8. Capital Market will help to distribute risk more efficiently by transfer of risk to those who are best able to bear it.
9. SME sector will grow better on two pillars of financial system, i.e., banking for debt capital and Capital Market for equity capital.
10. Initiating a dedicated Stock Exchange for SMEs will lead to diversification of resources of finance and help build a bridge between the SMEs, Private Equity and the Venture Capital by providing an exit route.

### **BSE SME Exchange: (Bombay Stock Exchange-Small and Medium Enterprises Exchange)**

Securities and Exchange Board of India (SEBI) accorded approval to the proposed SME Exchange by BSE Ltd. on September 27, 2011. After this approval BSE SME Exchange has conducted several Seminars for educating the SMEs on the benefits of listing and the preparations required for listing on the BSE SME Platform across length and breadth of India. BSE SME has tied up with channel partners who include various institutions and associations engaged in the development of SMEs.

BSE launched its much-touted SME Exchange that offers a platform to small and medium companies to raise funds from the primary as well as debt markets. Small and medium enterprises (SMEs) have always complained of difficulty in accessing both debt and equity capital. While the government has taken several measures to ease access to credit, giving them easier access to equity is the next step in that process. BSE SME has received wonderful response from various sectors, including agro-based industry, manufacturing, textiles, IT, construction, etc. A number of Merchant bankers are also optimistic about the initiative.

SEBI has also laid down the regulation for the governance of SME Exchange/Platform. Bombay Stock Exchange Ltd, an Exchange which has founded the equity cult in the country has witnessed many companies becoming big from small by raising funds from Capital Market. We therefore understand the importance of setting-up an Exchange for Small and Medium Enterprises. BSE is however keen on setting up an exchange for small and medium enterprises. The necessary changes and amendments are being made in the rules, bye-laws and regulations of the cash market for making a provision for SME exchange.

BSE SME Provides a great opportunity to the entrepreneurs to raise the equity capital for the growth and expansion of SMEs. This exchange intends to provide the world class platform for the SMEs and Investors to come together and raise the equity capital. The BSE SME Segment will be part of the BSE BOLT System. The trading time of this platform is from 09:00 am to 03:30 pm.

### **CRITERIA FOR SME TO GET LISTED IN BSE SME**

According to the Securities and Exchange Board of India, SMEs are allowed to raise between ₹ 5 lakh and ₹ 5 crore. Any company whose post-issue capital has a face value of ₹ 50 lakh ₹ 10 crore can list on the SME Exchange.

An Issuer with post- issue face value capital up to, ₹ 10 crores, will be invariably covered under the SME Exchange. An Issuer with post- issue face value capital between, ₹ 10 Crores to ₹ 25 Crores, may get listed on either SME Exchange or Main Board, and issue with post issue face value capital above, ₹ 25 crores, has to be necessarily listed on the Main Board of the BSE.

Suitable provisions for migration to/from Main Board from/to SME Exchange are also available. The minimum application amount as well as minimum trading lot shall not be less than, ₹ 1,00,000,. All existing Trading Members would be eligible to participate on SME Exchange without any further registration.

As per SEBI, SME issue should be 100% underwritten issues. Merchant Banker/s shall underwrite 15% in their own accounts. The Merchant Banker to the issue will undertake market making through a stock broker who is registered as market maker with SME Exchange. The Merchant Banker shall be responsible for market making for a minimum period of 3 years

### **BENEFITS OF LISTING AT BSE SME PLATFORM**

#### **IPO Subscription**

As per SEBI guidelines, the IPO of SME will 100% under writing by the Merchant bankers mean that the SME listing-cum-IPO issue will be 100% successful.

#### **Equity Fund Availability**

This is better opportunity for SME to raise the fund through general public, as equity fund. Lower cost of capital to the SMEs. By equity fund SME can attract all diverse class of investors.

#### **Simple Compliance**

As per SEBI guideline related to compliance of IPO of SME are very simple. In normal IPO, compliance needs to complete on quarterly basis. In SME IPO, compliance need to compete on half year basis.

#### **Expansion of SME become Easy**

BSE SME this platform is dedicated to help the SMEs in finding a solution to their financial requirements and crunching expansion plans. A vibrant equity market will prove to be an added incentive for greater venture capital participation by providing an exit rout.

### **Debt Equity Ratio will be Better**

This BSE SME will help to improve the debt and equity ratio. So that balance sheet of the SME will look much healthier than past. The long term capital gain tax on listed company is zero.

### **CREATE INCENTIVE MECHANISMS FOR EMPLOYEES**

Employees of a SME can participate in its ownership and benefit from being a shareholder. This can serve to ensure stronger employee commitment to the company's performance and success. Share options in a public limited company have an immediate and tangible value to employees, especially as a recruitment incentive.

**Facilitate Growth through Strategic Investments, Mergers and Acquisitions:** Domestic and international investors repose faith in listed SMEs. Listed SMEs are likely to get strategic investments from both, domestic and international investors as well as companies. As a listed public limited company, its shares can be utilized as an acquisition currency to acquire target companies, instead of a direct cash offering. Using shares for an acquisition can be a tax- efficient and cost- effective vehicle to finance such a transaction

**Encourages Innovation and Entrepreneurial Spirit:** The ability of companies in their early stages of development to raise funds in the capital markets allows these companies to grow very quickly. Equity capital is a risk capital. It will help entrepreneurs to take risk for developing new products and technologies besides encouraging innovation and entrepreneurship.

**Efficient Risk Distribution:** The development of the capital markets has helped to distribute risk more efficiently by transfer of risk to those best able to bear it. Capital is a precious resource. When one can afford, he can invest it; when one needs it back, he can exit. This ability to transfer risk facilitates greater risk- taking, but this increased risk-taking does not destabilize the economy. Thus the capital markets ensure that capital flows to its best uses and that riskier activity with higher payoffs are funded

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### **Benefits to Investors**

1. BSE SME exchange ensures Transparency, Efficiency and Liquidity in the market.
2. SME exchange attracting high growth companies, which will result into one option to invest money into a market.
3. SME exchange attract all diverse class of investors which will help investor to hedge their risk.
4. Involvement of Financial Institutions and Mutual Funds make this platform more competitive.
5. Active Participation of Associations, Merchant Bankers and Credit Rating Agencies (CRAs) will help investor in decision making process of investment.

### Drawback of SME Exchanges

1. Only SME which have capital face value of ₹ 50 lakh ₹ 10 crore, can list on SME exchange. But the micro enterprises which are having less capital than this range can't able to take advantages of this SME exchange.
2. The micro enterprises are playing important role in GDP of India. India should give some motivation to open micro enterprises because these micro enterprises one day can became SME, which can list on exchange.
3. India should plan for micro enterprises development in India. Not only loan availability is not sufficient need to provide way, through that these enterprises will take advantages of market ups and down.

### CONCLUSION

The decision of SME exchange was taken before one and half year now it is going to implement in India. As per Chief Executive Officer (CEO) of Bombay Stock Exchange (BSE) SME Exchange, the operation of BSE SME exchange will start in March 2012.

Over 92% or more than 30 million SMEs don't get funding from banks and have to self-finance their operations. Many are interested in tapping the capital market for funds and are looking forward to listing their companies on the SME exchanges. Therefore, in future India can expect good response for listing on SME exchange from SME's.

If this SME exchange gets good response then it will also become one day good trading platform as main board of BSE is working from many years. This SME exchange will help India to increase in GDP as well as in export of India. This step will become milestone to achieve the vision of 2020 planed by India.

Still there is requirement of development in the micro enterprises development and making them more competitive.

But there is a fear that we may be heading towards an another OTCEI (Over the Counter Exchange of India) which could not deliver the desired result. It is pertinent to note that OTECI was created to take care of capital requirements for small enterprises.

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## Innovative Means of Financing in Banking Sector in India

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**Abstract:** After financial reform period 1991, various foreign and new private sector banks are entering in Indian banking industry with their high-tech banking services. To reach remote places, mass and to make banking facilities convenient to people, banks are using various means of financing. The main change has been brought in “Delivery channels” and “Payment system” of banks to customers. In this context the Indian banks are not an exception. In India too this trend is visible. Most of the banks in India are providing banking services and products through ATMs, internet banking, tele banking and mobile banking and also using the various means such as – credit cards, debit cards etc. The services through these channels offer tremendous advantage both to the banks and their customers. This research paper has the objectives mainly; to study the various means of financing in Banking Sector in India, to examine the trend in usage of E-banking in India, to study the spread of ATMs in India and to study the situation of Public-Sector banks in modern banking. Basically the study is based on secondary source of data. The percentage, growth rate and compound growth rate have been used as statistical tools for the analysis of present research study.

**Keywords:** Public-Sector Banks, E-banking.

### INTRODUCTION

Information Technology and Tele-communications have revolutionized the functioning of banks and other financial institutions all over the world. The technology is the only solution that ensures less time, accuracy and resultant improved high customer and performance enhanced services.

The Financial Reforms in India as well as arrival of foreign and private banks with their superior state-of-the-art technology-based services pushed Indian banks to follow suit by going in for the latest technologies so as to meet the threat of competition and retain customer base. As a result most of the banks in India are providing E-Banking services to its customers. In spite of these new generation banks which have strong and larger network, the public sector banks also proved quick and flexible to meet the emerging needs of customers.

Hence, the government of India enacted the IT Act, 2000, which provides legal recognition to electronic transactions and other means of electronic commerce. Taking into consideration the recommendations by various committees appointed by RBI and guidelines of RBI, banks have started using IT to automate banking transactions and processes.



In simple words E-Banking implies provision of banking products and services through electronic delivery channels. E-Banking also defined as the automated delivery of new and traditional banking products and services to customers through electronic, interactive communication channels. E-Banking also called internet banking, on line banking or PC-banking. Banking may include ATMs, write transfers, telephone banking, electronic funds transfer and debit cards. As technology makes banking convenient, customers can access banking services and do banking transactions any time and from any where. Thus E-banking plays an important role as innovative means in financing.

### **Review of Literature**

The subject 'Innovative services in banking' is an emerging and vast area of research. There are numerous empirical studies conducted on the issue of e-banking in India as well as abroad. Present review deals with the empirical studies conducted in Indian context on e-banking trend. Present section deals with some of the notable studies in this field.

Ved Pal and Malik (2007) in their empirical paper '*A Multivariate Analysis of the financial characteristics of Commercial Banks in India*' examined the difference in financial characteristics of public, private and foreign sector banks based on factors such as profitability, liquidity, risk and efficiency.

R. K. Uppal and Rimpi Jatana (2007), have edited the book '*E-banking in India*'. They explained the conditions of banking sector during pre nationalisation, post nationalisation period to since 2009. The author pointed out that those technological innovations made the banking sector not only more efficient but also raised a need for a constant overview of various aspects relating to banking commerce.

S. Dharmarajan, and Dr. T. Srinivasat (2007) have presented the research paper '*Information Technology in Banking Services – Trends, Issues and Challenges*' at The National Conference on Recent Trends in Financial Services held by Anamalai University. They highlighted that, Indian banking is witnessing drastic changes because of impact of technology and its implementation which has resulted the introduction of new producers and services by various banks in India.

Dr. Sharma N. K (2009), discussed in '*Text Book of Banking and Finance*', about brief history of Indian-Banking since pre-independence era to current trend of e-banking, detail banking aspects like; RBI and its role, Regional Rural Banks, Commercial Banks in India and their credit creation and co-operative banks etc.

Kundu Sukanya and K. Saroj Dutta (2010) have studied on e-banking. Their article "*Are Online payment systems customer- centric? – A study on Indian public sector banks*" stats, that Internet banking has experienced phenomenal growth in recent years. The paper has tried to identify the features which are affecting the experience of customers of Indian PSBs regarding payment systems of online banking. It has also studied the recent growth rate of payment systems of online banking.

### **Statement of the Problem**

After financial reform period 1991, various foreign and new private sector banks are entering in Indian banking industry with their high-tech banking services. It leads to competition of ICT based banking services in Indian financial system. The main change has been brought in "Delivery channels" and

"Payment system" of banks to customers. In this context the Indian banks are not an exception. In India too this trend is visible. Now in India, 97 percent of public sector bank branches and cent percent private banks are computerized and adopted Information and Communication technology. They are offering lots of Innovative services by using modern technology.

To analyze the various means using by banks as financing, their growth, position, performance, introduction of new products of e-banking, Computerisation, Branch atomization and expenditure on the application of innovative means, expenditure on computerisation incurred by banks and many more were focused in the study.

## **DATA BASE AND RESEARCH METHODOLOGY**

The study is undertaken to test following hypotheses:

1. Innovative services provided by banks have brought radical change in their operations. Time, convenience, customer centric approach.
2. Increasing trend is found in the provision of innovative services in Indian banking sector.

The study made an attempt to cover growth and the application of various innovative means of financing in banking sector.

The objectives set for the study are:

1. To study the various means of financing in Banking Sector in India,
2. To study the extension of computerisation in Indian Banks.
3. To examine the trend in usage of E-banking in India
4. To study the spread of ATMs in India and
5. To study the situation of Public-Sector banks in modern banking.

The period of the study has been selected from 2005-06 to 2009-10. The present study is empirical in nature. Basically the study is based on secondary source of data. The relevant data have been collected from secondary source compressing of published reports of RBI Bulletin, IBA Bulletin, and Centre for Monitoring Indian Economy (CMIE), Report on Trend and progress of Banks in India and relevant websites, related books. The percentage, growth rate and compound growth rate have been used as statistical tools for the analysis of present research study.

### **Presentation of Data**

Finland was the first country in the world to have taken a lead in E-banking. In India, it was private sector bank, ICICI which initiated E-banking as early as 1997 under the brand name Infinity. Now the private and foreign sector banks have a lead in the provision of technologically advanced electronic banking service. The public sector banks are also adopting IT and telecommunication technology in providing advanced banking services to the customers. Following are the innovation services\ innovative means offered by the banking industry in the recent past.

### **Internet Banking (i-banking)**

In more recent times Internet has been transformed as a new delivery channel. It facilitates the banking transactions for both consumers and banks. Internet Banking has changed the banking industry and has major effects on banking relationship. Internet banking involves use of internet for delivery of banking products and services. Broadly, the level of banking services offered through Internet can be categorized in to three types; The basic level services are the bank's websites which disseminate information on different products and services offered to customers. It may receive and reply to customers queries through e-mail.

In the next level there are simple transactional web sites which allow customers to submit their instructions, applications for different services, queries on their account balances etc. Third level of Internet- Banking services are offered by fully transactional web sites which allow the customers to operate on their accounts for transfer of funds, payments of different bills, subscribing to other products of the bank and to transact purchase and sale of securities etc.

The following are some of basic functions of i-banking; Account Enquiry, Fund transfer between own account to another's account, Payment of Electricity, water and telephone bills, On line payment transactions actually performed through internet, Request for issuing of cheque books, demand drafts etc, Statement of account, Loan applications and transactions, etc.

### **Electronic Bill Payment (EBP)**

Electronic Bill Payment has become an important strategic dimension, as it can become an integral part of a bank's portfolio of services. EBP can attract customers to the bank by making transactions more efficient and enabling customers to access their financial information more easily. In India, HDFC Bank, ICICI Bank and Citibank is trying to setup an EBP portal. ICICI has already started a portal called BillJunction.com. Banks are planning to use the Net for payment of utility bills. They are entering into tie-ups with utilities like MTNL, Airtel, Orange, and BPL Mobile etc. They can pay bills electronically in the same way they do today, but by consolidating their bills, they can reduce the effort involved in the whole process. EBP is a tool to acquire customers and provide them other financial services also. Dominance of the EBP market can lead to an entry into other financial services markets such as credit or debit card payments, or indeed into a much broader range of e-commerce markets, such as payments gateways ([www.banknetindia.com](http://www.banknetindia.com)).

### **Telephone Banking and Mobile Banking**

Telephone banking is a service provided by a financial institution which allows its customers to perform transactions over the telephone. Most telephone banking use an interactive voice response (IVR), which is used for simpler queries and transactions. For complicated queries and transaction, manned phone terminals are used. With the obvious exception of cash withdrawals and deposits, telephone banking offers all the virtual features that are accessed with the use of an ATM such as balance inquiry, check latest transactions, bill payments, order statements, check foreign exchange rate, activate cards, change passwords and funds transfer between customer accounts (Al-Ashban & Burney, 2001).

Mobile banking also known as M-banking, SMS banking etc. which enables the customer to check the balance, account transactions, payments etc. via mobile device as a mobile phone. Most of the banks are providing SMS alert facility to their customers. Mobile phones can help in big way in the financial inclusion by reaching people. Mobile payment involves debit or credit to a customer's accounts on the basis of funds transfer instruction received over the mobile phones.

### Wireless Banking

Wireless e-banking is a delivery channel that can extend the reach and enhance the convenience of Internet banking products and services. Wireless banking occurs, when customer access a financial institution or bank's network using cellular phones, pagers and personal digital assistants - through telecommunication companies wireless networks to conduct banking activities e.g. transferring funds, paying bills, viewing checking the account balances etc.

### Plastic Cards: As Media for Payment

**Credit card: An Innovative personal Banking card:** Bank credit cards are a form of consumer loan, a revolving credit account that has a credit line of a specific amount that can be borrowed against in part or in full. As the outstanding balance is paid, the available credit line is restored for use again. Credit cards typically offer a variety of other services as well, such as cash advances and convenience checks. In addition to the basic credit card, many banks also offer a "gold" version with a larger line of credit and additional features such as automatic travel insurance. (S.S. Kaptan, 2002). Types of Credit Cards Such as Charge Card, Affinity Card, Standard Card, Classic Card, Gold Card, Platinum Card, Titanium Card, Secured Card. The multinational banks as well as domestic banks offer credit cards e.g. SBI, Bank of India, and Vijay Bank etc. Today the cards are accepted by all major hotels, airlines restaurants, retail outlets etc.

In India, the number of valid credit cards in circulation is 173 lakh during 2005-6, the number of transactions on such cards had been of the order of 1560 lakh and the amount of transactions ₹ 33,886 crore. This increased to 183 lakh credit cards in circulation, 2340 lakh number of transactions on such cards and ₹ 62,851 crore amount of transactions during 2009-10. But comparing 2009-10 to year 2008-09 the number of credit cards, number of transactions and amount of transaction has decreased in 2009-2010 at least in nominal terms possibly, due to the financial crisis which is clear from the Table 1.

Table 1: Credit Card Payments

Sr.	Year	Number of Valid Cards as of End- March (Lakh)	Number of Transactions (Lakh)	Average Number of Transactions per Card	Amount of Transactions (₹ Crore)	Average Amount per Transaction (₹)
	1	2	3	4	5	6
1	2005-06	173.27	1560.86	9.01	33886.47	21.71
2	2006-07	231.23	1695.36	7.33	41361.31	24.40
3	2007-08	275.47	2282.03	8.22	57984.73	25.41
4	2008-09	246.99	2595.61	10.51	65355.8	25.18

5	2009-10	183.19	2340.65	12.78	62851.86	26.85
	Total	1110.15	10474.51	47.85	261440.2	123.55
	CGR	1.79	13.16	-	18.45	-

Source: Reserve Bank of India, RBI Bulletin, June 2010.

Based on Tables 1 the following Graphs; 1 and 2 depict the growth of both credit and debit cards business in India. The debit cards have had a slow start and their growth only took off in the last three years. On the other hand, the credit cards grew faster since inception with the growth turning negative in the latest year.

Chart 1

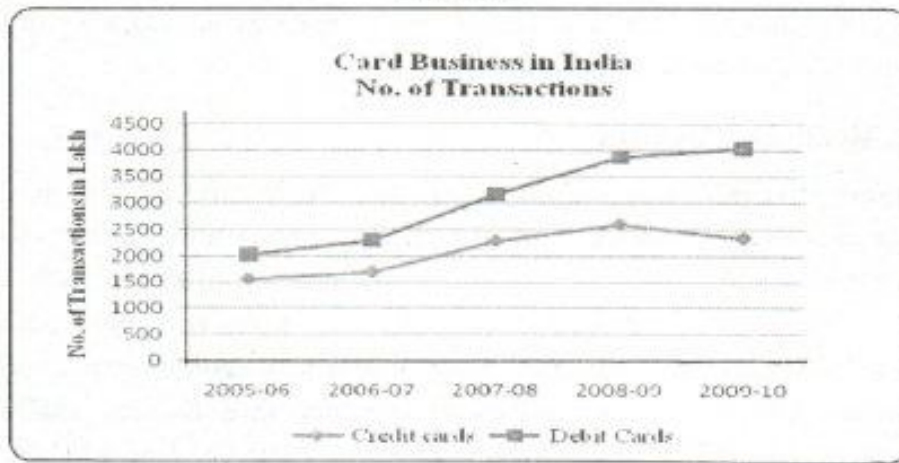
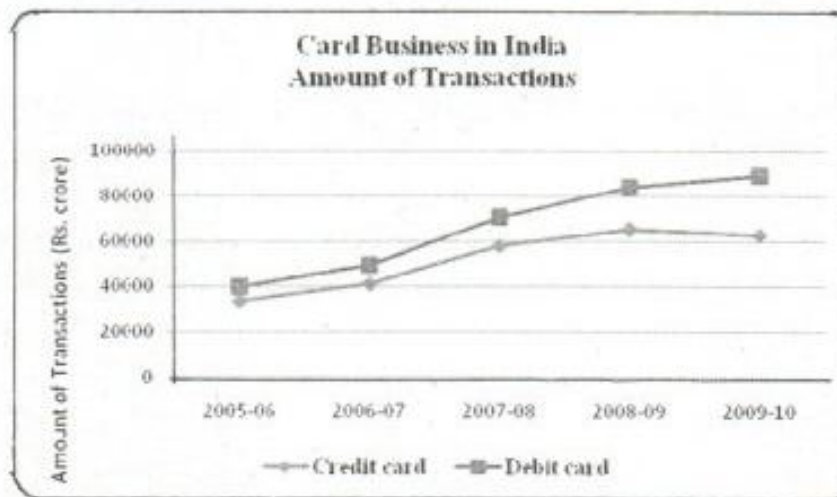


Chart 2



**Debit Card:** Debit card is a prepaid card with some stored value. Every time a person uses this card, the Internet Banking house gets money transferred to its account from the bank of the buyer. The buyer's account is debited with the exact amount of purchases. An individual has to open an account with the issuing bank which gives debit card with a Personal Identification Number (PIN). When he makes purchase, he enters his PIN on shops PIN pad. When the card is swapped through the electronic terminal, it dials the acquiring bank system-either master card or Visa that validates the PIN and finds out from the issuing bank whether to accept or decline the transactions. The customer can never

overspend because the system rejects any transaction which exceeds the balance in his account (Dr. K. krishana). There are currently two ways that debit card transactions are processed. Online debit card and offline debit cards. Online debit cards require electronic authorization of every transaction and the debits are reflected in the user's account immediately.

The debit card is different from credit card. Debit card like an ATM card, has direct account access. Amount transacted gets debited immediately. On the other hand, a credit card involves provision of credit to the card user, which is paid by the card user on receipt of the bill either in full or partially instalments. The debit and credit cards are accepted at many locations including restaurants, petrol pumps, grocery stores, malls; cloth stores many retail stores etc.

Table 2: Debit Card Payments

Sr.	Year	Number of Valid Cards as of End-March (Lakh)	Number of Transactions (Lakh)	Average Number of Transactions per Card	Amount of Transactions (₹ Crore)	Average Amount per Transaction (₹)
1	2005-06	497.63	456.86	0.92	5897.14	12.91
2	2006-07	749.76	601.77	0.80	8171.63	13.58
3	2007-08	1024.37	883.06	0.86	12521.22	14.18
4	2008-09	1374.31	1276.54	0.93	18547.14	14.53
5	2009-10	1813.87	1701.09	0.94	26417.97	15.53
	Total	5459.94	4919.32	4.45	71555.1	70.73
	CGR	37.61	40.23		46.50	

Source: Reserve Bank of India, RBI Bulletin, June 2010.

The Table 2 shows that, while the number of valid debit cards was 497 lakh in 2005-06 which increased to 1813 lakh. The average number of transactions per debit card is 0.92 in 2005-06 while, in 2009-10 it increased to only 2%. Though there has been a steady increase in the number of transactions at POS, when one notes the striking increase in the number of debit cards issued it becomes apparent that debit cards are being underutilized at POS. The average number of annual transactions per debit card is very low. The Compound Growth Rate of Debit Card Payments during these five years is 37.61% in Number of Valid Cards, 40.23% in Number of Transactions and 46.50% in Amount of Transactions.

**Smart Card:** The smart card is a plastic card into which a tiny computer chip is embedded. With some type of smart cards, popularly referred to as stored value cards, the chip is "filled" with a monetary value, and each time the card is used the amount of the purchase is deducted from chips memory. Consumers can either purchase a card that already contains a certain monetary value or can periodically add monetary value through special ATM devices smart cards are also used to store data for informational purposes e.g. a card holder's frequent flyer miles or a record of loan payments. (S.S. Kaptan, 2002).

**Automated Teller Machine (ATM):** An automated teller machine (ATM) also known as an automated banking machine (ABM) or 'all time money'. It is a computerized telecommunications device that provides the customers (clients) of a financial institution with access to financial transactions in a public space without the need for a cashier, or bank teller. There are two types of ATM installations; on premise (on-site), and off premise (off-site) ATMs. On premise ATMs are more advanced, Multi-function machines that complement an actual bank branch's capabilities. This kind of complex machines will accept deposits, credit card payments and report account information. To access this unit bank should need to be a member of the bank that operates the machine. Off premise machines are mono-function devices. These allow the customer to only withdraw cash and receive report of the account's balance.

ATMs provide many of the routine banking services. The ATM cards enable the authorized holder to perform the following functions. Customers can access their bank accounts 24 hours a day, 365 days a year, Make withdrawals from checking, savings and money market accounts, Transfer funds between accounts, Make deposits, loan payments, Print transaction statements. Purchase postage stamps and many more.

Biometric ATM; enables the Indian banks to reach out to the unbanked population using technology that analyzes and measures unique biological characteristics of customers, and provides voice instructions that guide customers through their financial transactions. There are many recognition methods but the finger print recognition method is most popular and common method of using the biometrics. All banks in India are installing Biometric ATMs e.g. Union Bank of India installed a first such 'Kisan ATM' at Sivagnagai branch Tamil Nadu Dena Bank has launched the biometric ATMs in Gujarat.

## GROWTH OF ATMS IN INDIA

The Public sector Banks have the highest penetration having more than 40,680 ATM's in India the growth of the ATM market in India has largely been in the last decade. As the data from Table 3 shows, the steady rise of growth in ATMs, in the recent years. The increase was 37.80 percent in 2009-10. More importantly, the growth in offsite ATMs too was comparably high at 45.7 per cent during the year. At end-March 2010, the percentage of on-site ATMs to total ATMs stood at 54.3 per cent for all SCBs. Of all the ATMs installed in the country at end-March 2010, Foreign Banks had the largest share in off-site ATMs i.e.72.8 percent. While Old Private Sector banks had the largest share in on-site ATMs i.e. 66.8 percent. The public sector banks have registered comparably highest growth in the total number of ATMs in 2009 and also in 2010, which increased to 68 percent during this year. Although there is an increase in total number of ATMs during 2009 and 2010 foreign sector banks, comparably have registered declined share in total number of ATMs. It may be due to an increase in shared net-work of ATMs.

Table 4 and Chart 3 depicts that the ATMs locations at various centres at the end 2010. Like bank branches, there is also an increase in the dispersion of ATMs in recent years. There is greater concentration of ATMs in urban areas than in rural areas, the number and percentage of ATMs in rural areas is on a steady rise in the recent years. The percentage of ATMs located in rural areas accounted for 32.7 per cent of the total ATMs in the country at end-March 2010. A large part of the increase in

ATMs in rural areas was due to public sector banks. Considering all centres public sector banks have large share in the total number of ATMs in the country and followed by private sector banks. This indicates that the public sector banks are not only adopting Information and Tele communication based technology in banking but also providing e-banking facilities throughout the country.

Chart 3

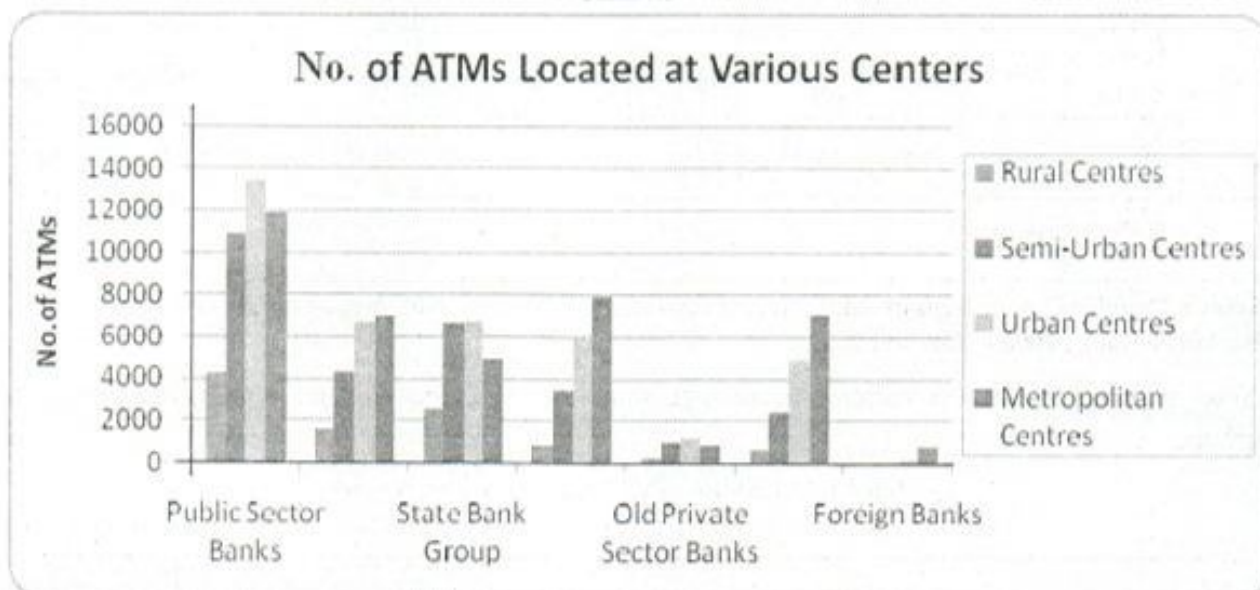


Table 3: Numbers of ATMs of Scheduled Commercial Banks in India

Sr.	Bank Group	On-site ATMs	Off-site ATMs	Total Number of ATMs	As at end-March 2009		As at end-March 2010		Total Number of ATMs	Off-site ATMs as percent of total	On-site ATMs as percent of total
					Off-site ATMs as percent of total	On-site ATMs as percent of total	Off-site ATMs	On-site ATMs			
(1)	Public Sector Banks	17379	9898	27277 (100) (62)	36.3	63.7	23797	16883	40680 (100) (68)	41.5	58.5
(1.1)	Nationalized Banks	10233	5705	15938 (58.4)	35.8	64.2	12655	7047	19702 (48.4)	35.8	64.2
(1.2)	SBI Group	7146	4193	11339 (41.6)	37.0	63.0	11142	9836	20978 (51.6)	46.9	53.1
(2)	Private Sector Banks	6996	8324	15320 (100) (35)	54.3	45.7	8603	9844	18447 (100) (25)	53.4	46.6
(2.1)	Old Private	1830	844	2674 (17.5)	31.6	68.4	2266	1124	3390 (18.4)	33.2	66.8



	Sector Banks										
(2.2)	New Private Sector Banks	5166	7480	12646 (82.5)	59.1	40.9	6337	8720	15057 (81.6)	57.9	42.1
(3)	Foreign Banks	270	784	1054 (2)	74.4	25.6	279	747	1026 (2)	72.8	27.2
	All SCBs	24645	19006	43651	43.5	56.5	32679	27474	60153	45.7	54.3
	SGR (%)	37.80									

Source: Compiled on the basis of data collected from Reserve Bank of India, Report on Trend and Progress of Banking in India, 2008 - 2009 and 2009 - 10.

Note: Figures in brackets indicate percentage shares with respect to total ATMs under each bank group.

Table 4: Number of ATMs Located at Various Centres

(At end- March 2010)

Sr.	Bank Group	Rural Centres	Semi-Urban Centres	Urban Centres	Metropolitan Centres	All Centres
(1)	Public Sector Banks	4289 (10.5)	10968 (27.0)	13451 (33.1)	11972 (29.4)	40,680 (100.0)
(1.1)	Nationalised Banks	1669 (8.5)	4325 (22.0)	6726 (34.1)	6982 (35.4)	19,702 (100.0)
(1.2)	State Bank Group	2620 (12.5)	6643 (31.7)	6725 (32.1)	4990 (23.8)	20,978 (100.0)
(2)	Private Sector Banks	901 (4.9)	3499 (19.0)	6124 (33.2)	7923 (43.0)	18,447 (100.0)
(2.1)	Old Private Sector Banks	265 (7.8)	1019 (30.1)	1215 (35.8)	891 (26.3)	3,390 (100.0)
(2.2)	New Private Sector Banks	636 (4.2)	2480 (16.5)	4909 (32.6)	7032 (46.7)	15,057 (100.0)
(3)	Foreign Banks	6 (0.6)	11 (1.1)	188 (18.3)	821 (80.0)	1,026 (100.0)
	Total	5,196 (8.6)	14,478 (24.1)	19,763 (32.9)	20,716 (34.4)	60,153 (100.0)

Source: Reserve Bank of India, Report on Trend and Progress of Banking in India 2009-10.

Note: Figures in brackets indicate percentage shares with respect to total ATMs under each bank group.

### COMPUTERISATION OF PUBLIC SECTOR BANKS

First step taken by RBI to implement the ICT in banking sector is by computerising the Public Sector banks. Therefore it has invested lot of capital and took the process of computerisation in phased manner, which is explained below with the help of tables.

#### Expenditure Incurred on Computerisation:

The process of computerization of the banking sector, which is regarded as the pioneer to other technological initiatives, is almost on the completion stage. Public sector banks continued to spend large amounts on computerization and development of communication networks, which is confirmed by the statistical details of Table 5. The total expenditure on 'computerization and development of communication networks' by Public-Sector banks in India from 2005 to 2010 aggregated to ₹ 7655.16 crore. In the year of 2005 the expenditure was 13 percent to total expenditure.

Table 5: Expenditure Incurred on Computerisation and Development of Communication Networks by Public Sector Banks.

(Amount in ₹ Crore)

Sr. No	Year	Expenditure Incurred during half year ended March	Percentage Share of Total-Expenditure
1	2005	983.19	13
2	2006	1054.45	14
3	2007	1257.17	16
4	2008	1318.35	17
5	2009	1671	22
6	2010	1371	18
Total		7655.16	100
CGR		7.04	

Source: Compiled on the basis of data collected from Reserve Bank of India, Report on Trend and Progress of Banking in India, from 2005 to 2010.

The expenditure was drastically decreased to 18 percent in the year of 2010. Overall growth rate (CGR) of expenditure incurred on Computerization and Development of Communication Networks by Public Sector Banks is 7 percent.

### **Computerization in Public Sector Banks**

Table 6 shows in the year 2005; the percentage of fully computerized bank branches in public sector banks was 71 percent. The total percentage of branches of public sector banks, which have implemented Core Banking Solution (CBS), was only 11. After five years, in 2010 computerization in public sector banks shows tremendous growth. During this year both computerization and the provision of Core Banking Solution (CBS) in public sector banks increased to 97.8 percent and 90 percent respectively. Among the nationalized banks in 2009, SBI-Group has achieved 100 percent (Table 2.6) in computerization and core banking solution. Table 6 brings out this achievement.

### **Magnetic Ink Character Recognition (MICR) Technology**

Traditional cheque clearing process is time consuming and lengthy, it affects value of transaction of settlement. To enhance speed of cheque clearing the RBI has started MICR cheque and MICR clearing system. MICR is a Magnetic Ink Character recognition technology adopted mainly by the banking industry to facilitate the processing of cheque, which is called MICR clearing system. In India MICR was introduced in 1987 in the four metros. 64 MICR clearing centres are operated in India in 15 divisions, where volume of clearing transactions is large. MICR technology transformed cheque processing systems by enabling the introduction of automated clearing houses.

### **Real Time Gross Settlement System (RTGS)**

RTGS system was introduced in India since March 2004. RTGS is a large value payment system which processes both customer and inter-bank transactions of 1,00,000 and above. There is no upper ceiling for RTGS transactions. Through this system electronic instructions can be given by banks to transfer funds from their account to the amount of another bank. The RTGS system is maintained and operated by the RBI and provides a means of efficient and faster funds transfer among banks facilitating their financial operations. It provides facilities to settlement of transactions on a gross basis. As per name suggests, funds transfer between banks take place on a Real Time basis. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours. This system ensures settlement of payments with no credit risk involved. It is therefore, essentially a system for settlement of large value and time critical payments. At the end of 2010, the facility of RTGS and NEFT is available in over 70,000 branches with 199 members and 99 banks participating in the respective systems.

### **Electronic Clearing Service (ECS)**

ECS is a retail payment system that can be used to make bulk payments/receipts of a similar nature especially when each individual payment is of a repetitive nature and of relatively small amount. This facility is meant for companies and government departments to make/receive large volumes of payments rather for funds transfer by individuals. ECS scheme operated by the RBI since 1996-97, helps to make payment from a single at a bank branch to any number of accounts maintained with the branches of the same or other banks. ECS (credit) facilitates the bulk payments whereby the account of the institution remitting the payment is debited and the payments remitted to beneficiaries' accounts. This facility is now available at 67 major centres in the country. This is the most useful mode of payment of dividend/interest/pension/refund etc. The clearing and settlement activities are

dispersed through 1047 clearing houses managed by RBI, SBI and its associates, Public sectors banks and National Electronic Clearing Service (NECS).

### **National Electronic Fund Transfer (NEFT)**

National Electronic Funds Transfer System, which was introduced in November 2005 as a more secure, nation-wide retail electronic payment system to facilitate funds transfer by the bank customers, between the networked bank branches in the country.

In this system anyone who wants to make payment to another person or company can approach his bank and make cash payment or can give instructions or authorization to transfer funds directly from his own account to the bank account of the receiver. When making request for such transfer the details regarding receivers name, bank account number, bank account type (saving or current account), bank name, city, branch name etc. should be furnished. RBI is the service provider and regulator of EFT. It permits transfer of funds up to ₹ 5 lakh from any account at any member bank in any city. This system can be utilized the service branches of the member banks and the nodal offices of RBI. It is covering about 3000 branches in 500 cities in India. This has facilitated same day transfer funds across accounts of constituents at all these branches.

### **Electronic Data Interchange (EDI)**

Electronic Data Interchange is a computer to computer transfer of details of commercial or administrative transactions using a universally accepted standard format between trading partners. EDI is the electronic exchange of business documents like purchase order, invoices, shipping notices, receiving advices etc. EDI can also be used to transmit financial information and payments in electronic form. EDI has resulted in huge savings in costs of exchanging trading information.

### **National Automated Clearing House Association (NACH)**

The ACH is an electronic banking network operating system, which is largest electronic payment network in the world. And ACH process large volumes of both credit and debit transactions which are originated in batches. Within the Rules and regulations governing the ACH network are established by the RBI with the help of the SBI. ACH an electronic funds transfer system run by National Automated Clearing House Association (NACH). It is internet based communication network back-bone. It provides speed of financial transaction. This payment system deals with payroll, direct deposit, tax refunds, consumer bills, tax payments and many more payment services. At present seven centres are established in Mumbai, Delhi, Calcutta, Madras, Nagpur, Bangalore and Hyderabad. It was set up in 1991 by RBI. It provides the facility of transfer of inter-bank (and inter-branch) messages within India by public sector banks who are members of this network. More centres have been brought under on the network.

### **Cheque Truncation System (CTS)**

The latest electronic payment product introduced by the RBI is the Cheque Truncation System, which was launched, on February 1, 2008, with the participation of 10 banks. At present all the banks are participating in the system through 53 direct member banks. Cheque Truncation System - is the process of stopping the flow of the physical cheque issued by a drawer to the drawee branch. The

physical instrument will be truncated at some point en-route to the drawee branch and an electronic image of the cheque would be sent to the drawee branch along with the relevant information like the MICR fields, date of presentation, presenting banks etc. The images captured at the presenting bank level would be transmitted to the Clearing House and then to the drawee branches with digital signatures of the presenting bank. Banks can participate in the Cheque truncation system which they have membership of the clearing house in the National Capital Region and in the Membership of the Indian Financial Network (INFINET). Thus the benefits to customers of banks could be summarized as: Faster clearing cycle, Better reconciliation/verification process, Better Customer Service - Enhanced Customer Window, Elimination of Float - Incentive to shift to Credit Push payments, The jurisdiction of Clearing House can be extended to the entire country - No Geographical Dependence, Operational Efficiency will benefit the bottom lines of banks - Local, Clearing activity is a high cost no revenue activity, Minimises Transaction Costs.

### **Indian Financial Network (INFINET)**

Indian Financial Network is a satellite based network using VSAT (Very Small Aperture Terminal) technology set up by the RBI in June 1999. INFINET is the communication network and messaging system for the Indian Banking and Financial Sector. The INFINET is a closed user group (CUG) network for the exclusive use of member banks and financial institution. It is a one-of-a-kind initiative of sharing expensive IT resources so as to achieve economies of scale. Presently, the net work is spread across 300 cities in our country. The primary objective of INFINET for the banking and financial sector is to enhance efficiency and productivity on the one hand and provide state of the art customer services through innovative delivery channels such as Internet banking, home banking other.

### **Society for Worldwide Inter-bank Financial Telecommunication (SWIFT)**

All Indian public sector banks are part of the international financial messages communication network, namely Society for Worldwide Inter-bank Financial Telecommunication (SWIFT), which operates not only worldwide financial messaging network but also exchanges messages between banks and other financial institutions. SWIFT also markets software and services to financial institutions, much of it for use on the SWIFT network, and ISO 9362 bank identifier codes (BICs) are popularly known as 'SWIFT' codes. SWIFT has its headquarters in Belgium founded in 1973 Brussels (Belgium) and has offices in the world's major financial centres and developing market. It was supported by 239 banks in 15 countries. It started to establish common standards for financial transactions, shared data processing system and worldwide communications. As of September 2010, SWIFT linked more than 9000 financial institutions in 209 countries. SWIFT transports financial messages in a highly secure way, but does not hold accounts for its members and does not perform any form of clearing or settlement.

### **Automated Data Flow (ADF); Effective Data Transmission and Management in Banking Sector:**

The concept of Automated Data Flow (ADF) seeks to fulfil this requirement in which data is seamlessly transmitted from the host systems to the recipient system without any intermediation, thus making the whole process more efficient, consistent and reliable. At the same time, as a major spin-off benefit, the system of automated data flow also streamlines the information sharing mechanism at the

host level thus serving as a potent MIS tool and encourages good data management practices. IT should help banks not just to deliver robust and reliable services to their customers at a lower cost, but also generate and manage information effectively.

**Universal Banking:** Universal Banking is multipurpose and multi-functional financial supermarket providing both banking financial services through a single window. As per the World Bank, In Universal Banking; large banks operate extensive network of branches provide many different services, hold several claims on firms (including equity and debt) and participate directly in the Corporate Governance of firms that rely on the banks for funding or as insurance underwriters. Universal Banking refers to those banks that offer wide range of financial services beyond commercial banking functions like Mutual Funds, Merchant Banking, Insurance, Credit Cards, Retail Loans, Housing Finance, etc.

Table 6: Computerization in Public Sector Banks

(Percent of Total Bank Branches)

Year	Name of the Bank	Branches Already Fully Comprised #	branches Under Core Banking Solution	Fully Computerized (3+4)	Partially Computerized
1	2	3	4	5	6
2005	Public Sector Banks	60.0	11.0	71.0	21.8
	Nationalized Banks	50.4	10.1	60.5	29.5
	SBI-Group	84.0	13.2	97.3	2.7
2006	Public Sector Banks	48.5	28.9	77.54	18.2
	Nationalized Banks	48.0	20.5	68.5	25.4
	SBI-Group	49.8	50.1	99.9	-
2007	Public Sector Banks	41.2	44.4	85.6	13.4
	Nationalized Banks	44.5	35.4	79.9	18.8
	SBI	32.8	67.2	100.0	-
2008	Public Sector Banks	26.9	67.7	94.6	6.4
	Nationalized Banks	35.7	56.6	92.3	9.0
	SBI-Group	5.3	95.0	100.00	-
2009	Public Sector Banks	14.3	81.4	95.7	4.3
	Nationalized Banks	20.4	73.4	93.8	6.1
	SBI-Group	-	100.0	100.0	-

2010	Public Sector Banks	7.8	90.0	97.8	2.2
	Nationalized Banks	10.9	85.9	96.9	3.1
	SBI-Group	-	100.0	100.0	-

Source: Same as of Table 2.5.

Note: Nil/Negligible.

#: Other than branches under Core Banking Solution.

**Core Banking:** Core banking stands for "Centralized Online Rent time Exchange". This basically means that the entire bank's branches applications are connected to centralized data centres. Core banking service is provided by a group of networked bank branches. Bank customers may access their funds from any of the member branches offices. Core banking consists of networking process by which the services of different branches of banks are joined to a common server and hence forth account holder may access, deposit and withdraw money from his bank branches.

## INTRODUCTION OF ELECTRONIC PAYMENT SYSTEM IN RBI

The Reserve Bank has taken a series of initiatives to facilitate use of electronic mode for various retail and large value transactions.. The growing acceptability of ECS, RTGS and NEFT by banks and consumers of banking services of these schemes is evidenced by following facts. Analyzing the table 7 the study showed that increasing trend is found in the use of electronic payment system.

The first indicator SWIPS shows, the paper-based systems still continue to dominate in terms of volume, and therefore are categorized as a System-Wide Important Payment System (SWIPS). Its share has been declining both in volume and value terms in recent years. Volume wise, 79 percent and Value wise 17 percent in 2007-08 it has, which reduced to 14 percent and 5 percent respectively in 2009-10 of total SIPS.

Traditional cheque clearing process is lengthy and time consuming. It affects the value of transaction of settlement. To enhance the speed of cheque clearing RBI started MICR cheque clearing system. Volume of MICR based clearing increased to 76 percent to 78 percent in 2007-08 to 2009-10. This has reduced the time taken for realization of proceeds of outstation cheques to T+2/3 days. As a consequence, the separate inter-city clearing run by Reserve Bank was discontinued from November 2009.

During the year 2009-10, a total of 11,172 bank branches were added in the RTGS system, thereby increasing the number of RTGS enabled bank branches to 66,178. The efficiency of RTGS system can be judged from the peak volume of RTGS transactions, which touched 33241 thousand transactions in, 2010 as compared to the last year's peak level of 13366 thousand transactions in 2009.

In the Total Retail Electronic clearing; Volume-wise ECS DR was 58 percent, ECS CR was 36 percent in 2007-08. This reduced to ECS DR 48 percent; ECS CR was 31 percent in 2009-10. During the same period, EFT/NEFT increased from 6 percent to 21 percent in the year 2007-08 and 2009-10. Value-wise ECS DR increased to 5 to 12 percent, ECS CR reduced 81 to 20 percent but EFT/NEFT increased to 14 to 69 percent in 2007-08 and 2009-10.

The 11<sup>th</sup> and 12<sup>th</sup> indicator - Credit and Debit card payments; Volume-wise credit card transaction was 72 percent and debit card transaction was 28 percent in 2007-08. Value-wise credit card transaction was 82 percent and debit card transaction was 18 percent in during the same year. In 2009-10, Value-wise the transaction of debit card was 70 and credit card was 30 percent. It is evident from the table that; in the initial period 2007-08, both the Volume-wise and Value-wise credit card usage was higher than debit card usage. But, in 2009-10 the transactions of debit card have increased both in terms of volume and value wise.

Table 7: Payment System Indicators – Annual Turnover

Item	Volume (000s)			Value (Rupees Crore)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
<b>System Wide Important Payment Systems (SWIPS)</b>						
1. High Value Clearing	21,919 (79)	21,848 (62)	5,525 (14)	55,00,018 (17)	45,50,667 (12)	18,61,560 (5)
2. RTGS	5,840 (21)	13,366 (38)	33,241 (86)	2,73,18,330 (83)	3,22,79,881 (88)	3,94,53,359 (95)
Total SIPS (1+2)	27,759 (100)	35,214 (100)	38,766 (100)	3,28,18,348 (100)	3,68,30,548 (100)	4,13,14,919 (100)
<b>Others</b>						
6. MICR Clearing	12,01,045 (83.5)	11,40,492 (83.0)	11,43,164 (83.2)	60,28,672 (76.4)	58,49,642 (73.9)	66,64,003 (78.0)
7. Non-MICR Clearing	2,37,600 (16.5)	2,33,566 (17.0)	2,30,567 (16.8)	18,67,376 (23.6)	20,60,893 (26.1)	18,78,425 (22.0)
Total (6 + 7)	1438645 (100)	1374058 (100)	1373731 (100)	7896048 (100)	7910535 (100)	8542428 (100)
<b>Retail Electronic Clearing</b>						
8. ECS DR	1,27,120 (58)	1,60,055 (57)	1,50,214 (48)	48,937 (5)	66,976 (16)	69,819 (12)
9. ECS CR	78,365 (36)	88,394 (32)	98,550 (31)	7,82,222 (81)	97,487 (23)	1,17,833 (20)
10. EFT/NEFT	13,315 (6)	32,161 (11)	66,357 (21)	1,40,326 (14)	2,51,956 (61)	4,11,088 (69)
Total Retail Electronic Clearing Cards (8+9+10)	2,18,800 (100)	2,80,610 (100)	3,15,121 (100)	9,71,485 (100)	4,16,419 (100)	5,98,740 (100)
11. Credit Cards	2,28,208 (72)	2,59,561 (67)	2,34,209 (58)	57,985 (82)	65,356 (78)	62,950 (70)



12. Debit Cards	88,306 (28)	1,27,654 (33)	1,70,170 (42)	12,521 (18)	18,547 (22)	26,566 (30)
Total (11+12)	316,514 (100)	387,215 (100)	404,379 (100)	70,506 (100)	83,903 (100)	89,516 (100)
Total Others (6 to 12)	19,73,959	20,41,883	20,93,231	89,38,039	84,10,857	92,30,684
Grand Total (1 to 12)	20,02,804	20,78,324	21,33,369	6,81,96,650	40,42,76,49	8,92,85,185

Source: Reserve Bank of India, Annual Report of Reserve Bank of India 2009-10, page no 134.

#### Notes:

1. High value clearing refers to cheques of ₹1 lakh/10 lakh. The clearing has been discontinued with effect from April 1, 2010.
2. Settlement of government securities clearing, CBLO and forex transactions are through Clearing Corporation of India Ltd.
3. At the end of April 2010, the MICR clearing was available at 66 centres (65 centres during previous year).
4. The figures relates to Cards are for transactions at POS Terminals only.
5. Figures in brackets are growth in volume percent and growth in value percent.

## FINDINGS

The major findings of the present research study are as follows:

1. In India, the number of valid credit cards in circulation was 1110.15 lakh and debit cards was 1813 lakh, at the end of March 2010. The study reveals that; the growth of both credit and debit cards business in India has positive trend in initial years. The debit cards have had a slow start and their growth only took off in the last three years. On the other hand, the credit cards grew faster since inception with the growth turning negative in the latest year.
2. In the last decade India experienced large growth of the ATM market. Currently, India is positioned as the second fastest country in ATM growth. As at the end of 2010, the number of ATMs deployed in India was more than 60,000. The ATM is led in penetration by the Public Sector Banks and these Banks have the highest penetration having more than 40,600 ATM's in India.
3. Research finds out that, in spite of the steady rise in number of ATMs in rural areas; there is greater concentration of ATMs in urban areas than in rural areas.
4. The increasing trend is found in 'Expenditure on Computerisation and Development of Communication Networks' by public sector banks.
5. Public sector banks have been investing for upgrading their operations by way of computerisation. Of the total number of public sector bank branches, 97.8 per cent were fully computerised and 90 per cent CBS was also achieved at end-March 2010.

6. The Reserve Bank has thus been actively involved in harnessing technology for the development of the Indian banking sector over the years. To promote the electronic payment culture and to make it more user-friendly RBI took various steps.
7. Considering the importance of RTGS for settling the large value payments, it has been exhibiting rapid growth, not only in terms of volume and value of transactions but also in the coverage of branches during the year 2009-10.
8. Recognising the importance of payments and settlement systems in the economy, the Reserve Bank of India had embarked on technology based solutions coupled with the introduction of new payment products in the latter half of the twentieth century – such as Electronic Clearing Services (ECS) – credit/debit – ECS DR, ECS CR), Magnetic Ink Character Recognition Technology (MICR) Electronic Fund Transfer system (EFT/NEFT) and others.

## **CONCLUSION**

Banks and financial institutions rely on gathering, processing, analyzing and providing information in order to meet the needs of customers. Banks were among the earliest adopters of automated information processing technology, and are using various means to serve their products and services to customers. There's 'Anywhere Banking' through Core Banking Systems, 'Anytime Banking' through new, 24/7/365 delivery channels such as Automated Teller Machines (ATMs), and Net and Mobile Banking. In addition, these various innovative means have enabled the efficient, accurate and timely management of the increased transaction volume that comes with a larger customer base. It has also facilitated the movement from class banking to mass banking.

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## An Empirical Study of Women Entrepreneurs: A Comparative Statistical Analysis with Reference to Kolhapur District

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**Abstract:** A woman in business is a recent phenomenon in India. Although women entrepreneurs engaged in business are due to push and pull factors, it encourages women to become independent and utilize their entrepreneurial spirit. In urban areas, more women are successfully running placement services, dress designing and boutiques, catering businesses etc. Even in rural areas, self-help groups are empowering women to start their own small business. Women entrepreneurs had a preference for values like achievement, independence, leadership effectiveness and conformity to social obligations, which change their scale of success. However there are more problems for a female entrepreneur who wishes to start her own new unit as compared to men who might have to face relatively less. During the present scenario, they seek social and economic independence and are prepared to take risk. The prominent factors are age of female owned business, family commitments, lesser access to capital, different education levels, prior experience of business and attitude towards risk. Women are generally more serious entrepreneurs in developing countries, even though their businesses are small. They repay loans more reliably than men, and use their earnings for the benefit of families and for reinvestment.

The available literature on women entrepreneurship does not provide sufficient insights and in-depth statistical analysis of the various challenges before women in business and problems faced by them. This research paper is planned to explore and analyze in detail the unknown facets before women entrepreneurs in the Kolhapur district in Maharashtra, India. The paper aims at finding out the opportunities, growth and problems of women entrepreneurs as well as their obstructions and the future scenario for women in business.

For this study researcher observed a random sample of 90 women entrepreneurs in Kolhapur district. Analysis of data was done with the help of Chi-Square test for independence of attributes and other statistical tools.

**Keywords:** Empowerment, Family Commitments, Social Obligations, Kolhapur District, Percentages.

### INTRODUCTION

Ever since the last decade of twentieth century, the Indian economy has been experiencing a drastic change. The fluctuations in the economy are the results of new policies of economic liberalization, globalization and privatization initiated by the Indian Government, in which the role of entrepreneurs is of great importance. Entrepreneurship has been recognized as the key to economic growth. In India there is huge entrepreneurial potential in both male and female as well as in urban and rural areas.

A woman in business is a recent phenomenon in India. Although women entrepreneurs engaged in business are due to push and pull factors, it encourages women to become independent and utilize

their entrepreneurial spirit. At present their involvement in economic activities is identified by a low work participation rate due to household responsibilities, excessive concentration in the unorganized sector and less skilled job employment.

Several studies around the world have been carried out which throw light on the challenges faced by women entrepreneurs. Though creating, fostering and nourishing are the three major stages in the entrepreneurial process, are the same for men and women. There are however, in practice, problems faced by women that are of different dimensions and magnitudes, owing to social and cultural reasons. The gender discrimination that often thrive at all levels in many societies impact the sphere of women in industry too, and a cumulative effect of psychological, social, economic and educational factors act as impediments to women entrepreneurs entering in the business.

The Government of India and key UN agencies like ILO, as well as major bilateral agencies like SIDA, are promoting income generation and small enterprise development, then also there is a lack of awareness of the significance factors which influence upon the enterprise development process.

### **Review of Literature**

In urban areas, more and more women are successfully showing their spirit by running day care centers, beauty parlors, dress designing and boutiques, an interior design services, running a play school, making and selling jewelry, private tuitions, placement and counseling services, catering and fast food businesses etc. Even in rural areas, self help groups are encouraging women to start their own small business like catering, vegetable cultivation and selling, small mahila gruh udyog etc. In both the areas, women entrepreneurs had a preference for values like achievement, independence, effective leadership and conventionality to obligations of society, which leads to success. However there are more problems for a female entrepreneur who wishes to start her own new unit as compared to men who might have to face relatively less. Although women entrepreneurs have showed their potential and spirit, the fact remains that their capabilities are more than that as depicted earlier. Even though there are quite a number of potential differences between male and female business owners, under the influence of the motivational factors like independent decision making, domestic responsibilities, the women entrepreneurs choose a profession as a challenge and as an urge to do some new things.

The available literature on women entrepreneurship in Maharashtra or more precisely in developing city like Kolhapur does not provide sufficient insights and in-depth Statistical analysis of the various problems of women in business. There are only a few researchers who have contributed to the study. A prominent scholar among them is Dr. R. D. Biradar from Nanded University, who has worked on "A study of women entrepreneurship in Kolhapur", under UGC, New Delhi. The present paper proposed to find out the opportunities, growth and challenges before women entrepreneurs in Kolhapur district.

### **Research Methodology**

Kolhapur district is having three major industrial areas; one of the prominent industrial destinations is five star MIDC and also Kolhapur is now budding as next IT Hub. Hence there are more opportunities for a woman entrepreneur in this area.

In this study a simple random sample of Ninety women entrepreneurs from both urban and rural areas of Kolhapur district was collected as a primary data by direct interview. From the totality of Ninety

questionnaires collected, Fifty Five were urban and Thirty Five were rural women entrepreneurs. The collected data was then analyzed using Statistical techniques like C.V., Percentages, and  $\chi^2$  test for testing independence of attributes. All the entrepreneurs were measured on two sets of attributes, one set of attributes contains urban and rural areas while other set comprise of perceptions and factors like weak areas of business, opportunities provided, expected growth rate etc.

The precise objectives of the present study are:

### Objectives

1. To study the opportunities available to women in Business that help in the development of entrepreneurship.
2. To analyze the ability of woman entrepreneur to be a good business enthusiast.
3. To explore the areas where women entrepreneurship has made substantial contribution.
4. To study problematic areas and hurdles in the process of women entrepreneurship.

## DATA ANALYSIS AND INTERPRETATION

Table 1: Age of Women Entrepreneurs in Urban and Rural Areas

Sr.	Age Group	Urban Area	Rural Area	Total
1	25-35	17	14	31
2	35-45	15	19	34
3	45-55	15	02	17
4	55-65	08	00	08
	Total	55	35	90

Average age of women entrepreneurs in urban area = 42.54 years,

Average age of women entrepreneurs in rural area = 36.57 years

The age of 55 women entrepreneurs in urban areas ranges from 25-62 years. The average age of women entrepreneurs in this area is 42.54 years, while the sample of 35 women entrepreneurs in rural area belongs to the age group 28-45 years with average age 36.57 years. This result clearly shows that, entrepreneurial practices are much older in urban than in rural area.

Table 2: Perceptually Weak Areas of Business

Sr.	Perceptually Weak Areas	Urban Area	Rural Area
1	Planning	12 (21.82%)	18 (51.43%)
2	Organizing	19 (35.55%)	09 (25.72%)
3	Controlling	24 (43.64%)	08 (22.86%)
	Total	55	35

## STATISTICAL ANALYSIS

Ho: There is no significant difference in the perceptually weak areas of business across U/R

$\chi^2$  calculated = 7.168,  $\chi^2$  tabulated =  $\chi^2$  at 5%, 2 d.o.f. = 5.991,

As  $\chi^2_{cal} > \chi^2_{tab}$ , reject Ho,

This shows that there is significant difference in the perceptually weak areas of business of the women entrepreneurs across urban and rural areas. While the women entrepreneurs in urban sector perceive controlling (43.64%) as a major weak area, the women entrepreneurs in rural sector lack behind due to weak in planning (51.43%).

d.o.f. : Degrees of Freedom

Table 3: Opportunities Provided by Service Sector

Sr.	Service SECTOR	Urban Area	Rural Area	Total
1	Education	30(54.55%)	21(60%)	51 (56.67%)
2	Manufacturing	11(20%)	05(14.29%)	16 (17.18%)
3	Other	14(25.45%)	09(25.72%)	23 (25.55%)
	Total	55	35	90

It is clear from the table that in both the sectors more than 50% women entrepreneurs showed their interest in the Education sector. They are more optimistic about this sector as it is secure sector for women, requires less investments, involving minimum time constraints.

Table 4: Contributions of Different Financing Agencies

Sr.	Financing Agencies	Urban Area	Rural Area
1	Nationalized banks	13	04
2	Commercial banks	11	07
3	Co-operative banks	07	14
4	Other	24	10
	Total	55	35

Ho: There is no significant difference in the contributions of different financing agencies across U/R

$\chi^2$  calculated = 8.938,  $\chi^2$  tabulated =  $\chi^2$  at 5%, 3 d.o.f. = 7.815,

As  $\chi^2_{cal} > \chi^2_{tab}$ , reject Ho,

This shows that there is significant difference in the contributions of the financing agencies to the women entrepreneurs across urban and rural areas. In urban area, public banks are more popular, and also women make funds from relatives and other sources. While in rural area impact of co-operative banks and societies is greater.

d.o.f.: Degrees of Freedom

Table 5: Availability of Soft Loans from the Government

Sr.	Response	Urban Area	Rural Area	Total
1	Yes	19 (34.54%)	10 (28.57%)	29 (32.22%)
2	No	36 (65.45%)	25 (71.43%)	61 (67.78%)
	Total	55 (100%)	35 (100%)	90 (100.00%)

From the table it is clear that Government agencies are not giving helping hand to women in providing soft loans in both areas. 61(67.78%) out of 90 women respondents from both areas are not having the benefits of soft loans from banking sector, only 29(32.22%) respondents are having such benefits.

Table 6: Repayment of Loans/Funds in Time

Sr.	Response	Urban Area	Rural Area	Total
1	Yes	47 (94%)	33 (94.29%)	80 (94.12%)
2	No	03 (06%)	02 (5.72%)	05 (5.88%)
	Total	50 (100%)	35 (100%)	85

Out of 85 women entrepreneurs, a majority (94.12%) entrepreneur repays loan or funds within the speculated time. Only few of them (5.88%) expressed their helplessness in repayment due to lacking behind in the profit and in financial growth.

Table 7: Growth Rate According to Profit Across U/R

Sr.	Growth Rate in %	Urban Area	Rural Area	Total
1	Below 5	13	21	34
2	5 - 10	25	10	35
3	10 - 15	14	03	17
4	15 and above	03	01	04
	Total	55	35	90

U: urban, R: rural

Urban Area:	Rural Area:
Average growth rate = 8.14%	Average growth rate = 5.21%
Standard deviation of growth rate = 4.15%	Standard deviation of growth rate = 3.85%
Coefficient of Variation = C.V. = 51.04	Coefficient of Variation = C.V. = 73.89

As C.V. of growth rate of urban area is less than that of rural area, it is clear that there is less variation in achieving growth rate in urban area as compared to rural area but average growth rate is more in urban than that in rural area. Majority entrepreneurs from urban area achieved growth rate up to 15%, while in rural area it is up to 5% and some of them are doing business without any profit.

Table 8: Expected Growth Rate of Enterprise

Sr.	Expected Growth rate in %	Urban Area	Rural Area	Total
1	Up to 25	20	14	34(37.78%)
2	25 - 50	19	17	36(40%)
3	50 - 75	11	04	15(16.67%)
4	75 and above	05	00	05(5.56%)
	Total	55	35	90

Urban Area	Rural Area
Average growth rate = 37.95%	Average growth rate = 30.36%
Standard deviation of growth rate = 24.07%	Standard deviation of growth rate = 16.44%
Coefficient of Variation = C.V. = 63.44	Coefficient of Variation = C. V. = 54.15

As C.V. of expected growth rate of urban area is greater than that of rural area, it is clear that there is more variation in achieving expected growth rate in urban area as compared to rural area. Most (77.78%) of the entrepreneurs from both sectors want to jump higher and it is up to 50%. While few (16.67%) of them expect 50% and more.

Ho: There is no significant difference in the opinions regarding expected growth rate of enterprise across urban and rural areas.

$\chi^2$  calculated = 4.69,  $\chi^2$  tabulated =  $\chi^2$  at 5%, 2 d.o.f. = 5.991,

As  $\chi^2_{cal} < \chi^2_{tab}$ , accept Ho,

This shows that there is no significant difference in the opinions about expected growth rate of enterprise of the women entrepreneurs across urban and rural areas. most (77.78%) of them want to jump higher and it is up to 50%. While few (16.67%) expect 50% and more.

d.o.f. : Degrees of Freedom

Table 9: Opinions Regarding ITES

Sr.	Opinion	Urban Area	Rural Area	Total
1	Yes	50	28	78(86.67%)
2	No	05	07	12(13.33%)
	Total	55	35	90(100.00%)

Ho: There is no significant difference in the opinions regarding Information Technology Enabled Services (ITES) across urban and rural areas.

$\chi^2$  calculated = 2.185,  $\chi^2$  tabulated =  $\chi^2$  at 5%, 1 d.o.f. = 3.841,

As  $\chi^2_{cal} < \chi^2_{tab}$ , accept Ho,

This shows that there is no significant difference in the opinions of the women entrepreneurs regarding ITES across U/R. Majority entrepreneurs considers ITES as their next business venture. According to urban entrepreneurs ITES not only helpful in gaining profits but also automates the business. Rural women entrepreneurs are developing themselves to match ITES requirements.

d.o.f. : Degrees of Freedom

Table 10: Opinions Regarding Preferable Sector to Women

Sr.	Opinion	Urban Area	Rural Area	Total
1	Traditional sector	34	21	55
2	BPO/IPO/KPO	21	14	35
	Total	55	35	90

BPO: Business Process Outsourcing, IPO: Information Process Outsourcing,

KPO: Knowledge Process Outsourcing

### Statistical Analysis

Ho: There is no significant difference in the opinions regarding preferable sector to women

$\chi^2$  calculated = 1.8157,  $\chi^2$  tabulated =  $\chi^2$  at 5%, 1 d.o.f. = 3.841,

As  $\chi^2_{cal} < \chi^2_{tab}$ , accept Ho,



This shows that there is no significant difference in the opinions about preferable sector to women entrepreneurs. Almost 60% of the women entrepreneurs belonging to both areas prefer traditional sector because of insecure perception of BPO/IPO/KPO sectors, time constraints and fluctuations in the sectors. Remaining 40% showed willingness towards these new sectors to perform their entrepreneurial skills.

d.o.f. = Degrees of Freedom

Table 11: Perception Regarding Society, Parents, Culture and Traditions as Major Hurdles

Sr.	Perception	Urban Area	Rural Area
1	Yes	20(36.37%)	18(51.43%)
2	No	35(63.64%)	17(48.57%)
	Total	55(100.00%)	35(100.00%)

From the table it can be observed that in urban area majority women (63.64%) have not considered society, parents, culture and traditions as major hurdles. They expressed that in the early development period of business these hurdles have been experienced by them. Then after, the situation went in favor of them. While in rural area the situation is not yet favorable to women in business.

## CONCLUSIONS AND DISCUSSION

1. Due to growth and potentiality of service sector, Indian Economy is facing a rapid growth. In which women will strive to be a successful entrepreneur.
2. Financial and decision making independence will improve the status of women entrepreneur as a liberated and tolerant women in the society.
3. Training on professional competence and leadership skill should be delivered to women.
4. Adequate training programs on various aspects of business should be arranged for the women of both sectors.
5. In the developing city like Kolhapur, provision of micro credit system and enterprise credit system should be made in the favour of women to flourish them as a prominent entrepreneur.

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## Women Empowerment through Self-Help-Group: A Case Study of Nagthane Village, Tal: Palus, Dist-Sangli

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**Abstract:** Equality is one of the important principles of Indian constitution. Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. In India, empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and power and status in society. Women's empowerment would be able to develop self-esteem, confidence, realize their potential and enhance their collective bargaining power. Self Help Groups (SHGs) are a potential source to empower and groups are a potential source to empower and institutionalize participatory leadership among the marginalized and to identify, plan and initiate development activities. Generally Self-help group may consist of 10 to 20 persons. If a SHG having more than 20 persons; it must be registered under the Registration Act,

Empowerment of women has emerged as an important issue in our country. In India half of the populations consists of women. In India their work participation rate is less than half that of men. The rate of women in the development of nation is very important. Women empowerment in short indicate a change from powerlessness to powerfulness, underprivileged to privileged and enabling women to have control over the resources i.e. social, economical, political, intellectual, and cultural to empower women. Government has introduced various schemes such as DWCRA, TRYSEM, and SGS.

Micro credit is an effective tool in this endeavor which leads to peaceful development. The components of empowerment of women are: (a) Participation in economic decision making (b) Opportunities for self development (c) Access to economic resources (d) Participation in socio- Political decision making (d) Scope for skill development. The SHGs have also created better understanding between the members of the different religious groups as the members of SHGs belong to different religions. This is a welcome change to have understanding and tolerance towards the members of other religions particularly in a country like India. Women are an integral part of every economy.

Women have contribution to the growing economy and children are assets of the future. Almost 50% of our population comprises women while 42% is under the age of 18 for growth to be inclusive. We have to ensure their protection wellbeing development employment and participation. According to the United Nations, in India almost one fifth of the populations were living in extreme poverty, earnings less than one dollar a day. Combating poverty in the world is necessary for world peace as stressed by Nobel Prize laureate Dr. Muhammad Yunus, the promoter of micro credit through the Grameen Bank in Bangladesh for alleviating poverty. Micro -credit/ finance being mentioned as an important instrument. The model of Grameen Bank Promoted by Dr. Muhammad Yunus in Bangladesh. There are 2 main models of micro-credit/finance.

- (I) The 'SELF-HELP GROUPS under the SHG Bank -linkage programme.
- (II) The Micro -Credit /Finance Institution Model.

Today the biggest challenges facing both the developed and developing countries are poverty, unemployment and pollution. The unemployment problem in developing countries especially India sharply differ from that which prevails in developed nations. Unemployment in developing countries is generally cyclical unemployment or disguised unemployment. There are a number of possible roots to the promotion of employment, 'SELF-HELP GROUPs are one of them. The basic objective of the present paper is to understand women empowerment through SHGs of Nagthane village. In addition, to consider best practices of these groups. The primary data has been collected through questionnaire and secondary data consists of books, journals, and websites. Thus, the paper emphasizes that the SHGs are the effective instruments of women empowerment, and to made suggestions for well functioning of SHGs of women in general and Nagthane village in particular.

**Keywords:** Empowerment, Micro-finance, SHGs, Women.

## INTRODUCTION

Empower of women has emerged as an important issue in India and half of the population consists of women .In India their work participation rate is less than half that of men. The role of women in the development of nation is very important now days. So women should be respected both in the society as well as in the family to increase the status of women. They must be empowered in all aspect such as economically, socially, Politically, and Culturally. To empower women ,Government has introduced various schemes such as DWCRA, TRYSEM, SGSY. One among them is self-help-groups. This programme is mainly meant for the rural poor who are living below the poverty line or under various circle of poverty. This programme is for poor and marginalized women as so on. It's main aim is to alleviate poverty among the poor. Micro credit is an effective tool in this endeavor which leads to peaceful development. Micro finance helps the poor people to meet their needs for easy credit and financial services. In India micro credit programmes are implementing through group structure which is known as SHGs. 'It finance to a group empowerment of women in different era's now accepted women's in India, The Maharashtra state is also aggressive state for implementing various women schemes. There are 35 District in the Maharashtra State, but the present study focuses only on Nagthane Village of Palus Talukha, which is situated in Sangli District.

## Review of Literature

Dasgupta (2000) in his paper on 'Informal journey through Self Help Groups' observed that micro-financing through informal group approach has effected quite a few benefits viz.: (i) savings mobilized by the poor; (ii) access to the required amount of appropriate credit by the poor; (iii) matching the demand and supply of credit structure and opening new market for FI's; (iv) reduction in transaction cost for both lenders and borrowers; (v) tremendous improvement in recovery; (vi) heralding a new realization of subsidy less and corruptionless credit, and (vii) remarkable empowerment of poor women. He stressed out, SHG's should be considered as one of the best means to counter social and financial citizenship not as an end in itself.

Puhazhendhi, and Satyasai (2001) in their paper titled as 'The performance of SHG's with special reference to social and economic empowerment'.

The performance of SHG's among different regions, the southern region could edge out other regions. The SHG's programme has been found more popular in the southern region and its progress in other

regions is quite low, thus signifying an uneven achievement among the regions. They have focused on older group should relatively more positive features like better performance than younger groups.

Manimekalai and Rajeshwari (2001) in their paper titled as 'The provision of micro-finance by the NGO's to women SHG's' both have focused SHGs are helpful to achieve a measure of economic and social empowerment. SHGs have developed a sense of leadership, organizational skill, management of various activities of a business.

Mahadeswaran (2001) in his article conducted 'A study on empowering rural women through SHGs'. This study an attempts has been made to analyze the impact of SHGs in providing credit rural women. The access of the rural poor is limited to the antipoverty programme like IRDP the average SHGs consists 15 to 20 members The SHGs have performed well on the saving and the loan were given to the SHGs at an interest rate of 2 to 3 percent months the status of women both with household and outside have improve. Mahadeswaran find out and focused on the rural poor women and bank linkage programme.

Falaiye (2002) in this study on the 'Impact of micro credit on rural Nigerian women' finds that the micro credit has positively changed the clients 'Self esteem and confidence leadership abilities and decision making process; contributing to their house holding well being and increasingly seeking out solution to their own problems and the community.

Rasure K.A (2004) in the article "women empowerment through self-help-groups" has proved that can be very instrumental in empowering women in our country as they provide easy access to fund for self employment in this context the author has discussed in debth the relationship between empowerment and the SHGs process of the SHGs in India. Spread SHGs linkage different mode of linkage and role of NABARD. The author has conclude that SHGs stimulate savings and help borrowers to come out of vicious circle of poverty.

Holvet (2005) in his titled states that 'Micro finance to poor women through women SHGs' resulted in to active participation of women in decision making. Mr. Holvet in his article states that the relationship between micro finance and women SHGs'.

Das Gupta (2005) in his article commented that a paradigm shift is required from "financial sector reform" to "micro-finance reform". While the priority sector needs to be made lean, mandatory micro credit must be monitored rigorously. Simultaneously space and scope have to be properly designed for providing competitive environment to micro-finance services. Extensive database needs to be created by the RBI for understanding micro-finance. He trussed out the micro-finance reform.

Kadam P.B (2006) Ph.D thesis entitled 'Assessment of the contribution of self-help-groups to women Empowerment' a study with reference to Satara District, in her article focused on the empowerment of women through SHGs and different aspects stressed out for empowerment activity Ice; the aspect of SHGs members are Economical, Social aspects of members, political aspects, Legal aspects, Legal and Life aspects.

Raman Bali Swami (2007) in his article titled as 'Micro finance and women empowerment' taking the case of the SHGs bank linkage programme. In India this article examined the evidence on impact of microfinance on women empowerment using multi level survey, which includes a quantitative

database along with interviews, group discussion, and case studies Mr. Rajang B.S. teased that the relationship among the microfinance and women empowerment.

Naila Cabeer (2007) in this article entitled is 'Microfinance a Magic Bullet for women empowerment' this article shows that the extent to which access to financial services helps poor women address their daily needs as well as their strategic gender interest and whether the approach taken makes a difference to their outcome. If Microfinance can and social well being of poor women and their household it cannot automatically empower Women. Naila Cabeer teased out the financial system of the institution and good service as well as gender interest will help for empowerment.

### Objectives of the Study

1. To know and understand concepts of SHG's and women Empowerment.
2. To study different criteria of social significance of SHG's working in Nagthane Village.
3. To identify economic status of SHG's in Nagthane Village.
4. To present observation of study by way of findings.
5. To put forth suggestions for streamline functioning of SHGs of women in general and Nagthane village in particular.

### METHODOLOGY ADOPTED

The present paper is primarily related with primary data source. A questionnaire has been prepared and information gathered from 50 SHGs of Nagthane village, of Palus Talukha. While designing questionnaire due consideration is given for Social and Financial aspects of SHGs working in that village. A questionnaire consists of 30 questions; a survey method of research is conducted for collecting primary data. In addition secondary data has been collected through Books, Journals and websites.

There are 90 SHGs in Nagthane village of which 50 SHGs are selected for the present study. The sample size to the inverse is 55.56 per cent. Simple random method of sampling is applied for the study. As far as the selection of group members is concerned; two members were deliberately selected from each group. Hence, total 100 members were selected from 50 sample groups. The reference period of the study is of five years (from 2006-7 to 2010-11) the scope is concern with Women empowerment through self-help-groups of Nagthane village, Tal-Palus, Dist-Sangli. The functional scope covers Social and financial aspects of SHGs of women of Nagthane village. In order to enhance working of SHGs a set of suggestions has provided. The present study is restricted only the selected women SHGs of Nagthane village of Palus Talukha.

### CONCEPTS

**Self-Help Group (SHG):** The Self-Help-Group (SHG) is a small voluntary association of poor people preferably from the same social economic background. Self-help group is a method of organizing the poor people and the marginalized to come together to solve their individual problem. The SHG method is used by the government, NGOs and others worldwide. Take the example of the with grameen Bank of Bangladesh, it is a people bank formed by the poor to provide easy loans for

themselves. The poor collect their savings and save it in their own banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise.

**Women Empowerment:** Empowerment is a multi-acted, multi-dimensional and multi-layered. According to the country report of Government of India "Empower means, moving from position of unforced powerlessness to one of the power". Women empowerment is a process in which gain greater share of control over resources.

**Micro-finance:** "Micro-finance is defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi urban and urban areas for enabling them to raise their income levels and improve living of standards. Micro Credit institutions are those which provide these facilities". Micro-finance has usually features as very small loans, no collateral, the formation of borrowers groups, borrowers from among the rural and urban poor, loans for income generation, etc.

**SHG and Women Empowerment:** Self-Help-Group is now a well-known concepts. It is now almost two decade old. It is reported that the SHG's have a role in hastening country economic development. SHG's have now evolved as a movement. Mainly, members of the SHG's are women. Consequently participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families as a pioneer in the field of micro-finance. Dr. Muhammad yunus, Professor of Economics in chitgaon University of Bangladesh, was an initiator of an action research project 'Grameen Bank. Generally a Self-Help-Group consists of 10 to 20 women. The women save some amount that they can afford It is small amount ranging from ₹10 to 200 per month. A monthly meeting is organized where apart from disbursal and repayment of loan, formal and informal discussion are held. On many social issues also. Women share their experiences in these groups. The minutes of these meeting ate documented and the accounts are written. The president Secretary and Treasurer are three official posts in any SHG's If the SHG's connected with some NGOs, they take part in other social activities of those NGOs.

## **SIGNIFICANCE OF THE STUDY**

Empowerment is an effective aspect of development of human being. Especially if women are properly empowered, they will do better for improving their social and economic dignity. SHG is the best medium of allotting empowerment to below poverty line rural women. There are two important parameters of development. Social and economic aspects are contributing overall development of a nation whether it may be developed and underdeveloped country. India is a developing country and marching towards developed country. Therefore need arises to develop human capital of the country by providing them social and economic status. In India half of the population consists of women and need arises to make social and economic progress of women. In the present study an attempt is made to analyze women empowerment through SHGs. Of Nagthane Village. The study is related at village level, no previous study was done at village level in Palus Taluka of Sangli District. Hence, the present study is the sincere effort to fill up gap. The suggestions of the study will assist for better working of women SHGs .

**Women Empowerment through SHGs: A case study of Nagthane Village.**

Table 1: Classification of Women SHGs of Nagthane Village According to Year of Establishment

Sr.	Year of establishment	Number	Percentage to Total
	2000-2002	7	14.00
	2003-2005	10	20.00
	2006-2008	18	36.00
	2009-2011	15	30.00
	Total	50	100.00

(Source: Primary Data Compiled)

From the table 1: It is found that most of SHG's were established during the year 2006-2008 whereas the lowest numbers of SHG's commenced during the years 2000-2002. During the years 2003-2005; 1/5<sup>th</sup> SHG's were formed. In the years 2009-2011 number of SHG's established is more than the years 2003-2005, but below than the years 2006-2008.

Table 2: Age wise Classification of Women SHG's of Nagthane Village

Sr.	Age group	No of Members	Percentage to Total
1	18-35	30	30.00
2	36-45	40	40.00
3	46-60	20	20.00
4	61 and above	10	10.00
	Total	100	100.00

(Source: Primary Data Compiled)

Age wise distribution is observed that 40% population were in the age group 36-45 years, 30% of the members were in a age group 18-35; 20% the members were in a age group 46-60; only 10% of the members are above 61 years.

Table 3: Category wise Classification of Women SHG's of Nagthane Village

Sr.	Category	No of Members	Percentage to total
1	Open	45	45.00
2	OBC	10	10.00
3	SC	25	35.00
4	ST	--	--
5	VJ/VJNT	20	20.00
	Total	100	100.00

(Source: Primary Data Compiled)

The data analysis shows that majority of the Members belonged to upper caste but poor families (i.e 45%) and other backward classes (10%). The Members from SC,ST,VJNT and other castes constituted 45% of the aggregate of the Members. In this case ST category of the Members is not this group. The women coming from all strata of the society, respective of caste, class or religion are coming together and forming self-help-group.

Table 4: Marital Status of Women SHGs of Nagthane Village

Sr.	Marital status	No of Members	Percentage to total
1	Married	78	78.00
2	Unmarried	12	12.00
3	Widow	10	10.00
4	Divorce	--	--
	Total	100	100.00

(Source: Primary Data Compiled)

The out of 100 Members 78% were married and 12% were unmarried the widow women accounted for the 10% and Divorce women is not in this groups. The majority of the groups is most supportive and expressed very good.

Table 5: Literacy Level of the Members of SHGs of Nagthane Village

Sr.	Literacy Level	No of Members	Percentage to Total
1	Illiterate	25	25.00
2	Up to 4 <sup>th</sup> std	43	43.00
3	5 <sup>th</sup> to 10 <sup>th</sup> std	19	19.00
4	11 <sup>th</sup> to 12 <sup>th</sup> std	09	09.00
5	Graduation	04	04.00
	Total	100	100.00

(Source: Primary Data Compiled)

The literacy level of the women Members is 25% illiterate. This indicates that education of girls is not given in a priority in rural areas. And majority women Members had completed education up to 4<sup>th</sup> std and this is 43%, the 27% of the Members had completed their education up to 12<sup>th</sup> std. and 45 of the Members had completed their graduation .

Table 6: Occupation of the Members of SHGs of Nagthane Village

Sr.	Occupation	No. of Members	Percentage to Total
1	Agriculture	12	12.00
2	Agriculture Labor	70	70.00
3	Goat rearing	15	15.00
4	Tailoring	02	02.00
5	Small kirana shop	01	01.00
	Total	100	100.00

(Source: Primary Data Compiled)

The occupation wise data analysis is that majority of the women Members 70% were agricultural labourers and 12% were in their family owned small fields around 18% of the Members were engaged in small activities like goat rearing, small Karana shop, it was also noticed that most of the Members were used to work under rural employment schemes and there are no job opportunity in agriculture.



Table 7: Distribution of the Members of SHGs of Nagthane Village according to Daily Income

Sr.	Daily Income	No of Members	Percentage to total
1	Up to ₹ 40	40	40.00
2	₹ 41 to 60	10	10.00
3	₹ 61 to 80	15	15.00
4	₹ 81 to 100	15	15.00
5	Above ₹ 100	20	20.00
	Total	100	100.00

(Source: Primary Data Compiled)

The Members regarding daily average of income indicated that majority of the Members had daily earning up to ₹ 40. Only 20 per cent members of SHGs of Nagthane village have more than ₹ 100 per day income.

Table 8: Monthly Saving, Loan Purpose and Credit Facility availed to Members of Nagthane Village.

Sr.	Particular	No. of Member	Percentage to Total
A	1) Monthly saving		
1	Up to 50	60	60.00
2	51-100	25	25.00
3	101-150	10	10.00
4	151 and above	05	05.00
B	2) Loan purpose		
1	Business activity	10	10.00
2	Household needs	45	45.00
3	Festivals	18	18.00
4	Medical care	05	05.00
5	House construction and repair	10	10.00
6	Education	05	05.00
7	Repayment of loan	04	04.00
8	Other purpose	03	03.00
C	3) Loan amount		
1	Up to ₹ 500	05	05.00
2	501 to 1,001	12	12.00
3	1,001 to 2,500	13	13.00
4	2,500 to 5,000	15	15.00
5	5,001 to 10,000	33	33.00
6	10,101 and above	20	20.00
D	4) loan repayment		
1	Regular	75	75.00
2	Irregular	25	25.00

Source: (Field Survey)

Women Self-Help-Group have been proving their significance in entrepreneurship development, marketing and active participation in social welfare. Women members have been habitual of saving and depositing a certain amount regularly with their respective groups. The saving amount ranged between ₹ 50 to above ₹ 151 per month. Only 85 per cent members having saving up ₹ 100 per month.

Credit activity is another significant activity of Self-Help-Group the 40 per cent Members have availed loans ranging between ₹ 501 to 5000. Only 20% of the Members had borrowed ₹ 10001 and above from their respective SHGs. As far as repayment of loan was concerned 75% women members were regular for repayment of their loans and 25% Members were irregular, the major reasons of irregular payment were use of loan amount for unproductive purpose. The loan purposes, a numbers of variations were noticed. The highest number of the members has used loan amount for household needs and 10% used for business activity, whereas 5% has used loan amount for medical care.

## **FINDINGS**

1. There are several reasons for success of NGOs like Self-Help-Group attitude among the members.
2. It is found that most of SHGs were established during the year 2006-2008 whereas the lowest numbers of SHGs commenced during the years 2000-2002, in Nagthane village.
3. It is observed that participation in women SHGs of senior citizen women is negligible.
4. It is seen that 70 per cent women participated in SHGs of Nagthane village, are in age ranges from 18 to 45 years.
5. It is a surprising fact that, no one women of ST category involved as a member of SHGs in Nagthane Village.
6. The number of members of women SHGs from backward category is more than general category, in Nagthane Village.
7. It is found that 78 per cent women involved in SHGs of Nagthane Village, are married .
8. Women members involved in SHGs of Nagthane Village 62 per cent members having educational qualification up to 10th Standard level.
9. The ratio of illiteracy to literacy is 1:4 of women SHGs members in Nagthane Village.
10. As concerned with occupation, most of women SHGs members are from agricultural related activities.
11. Only 20 per cent members of SHGs of Nagthane village have more than ₹ 100 per day income.
12. It is observed that Only 85 per cent members having saving up ₹ 100 per month.
13. The highest number of the members has used loan amount for household needs.
14. The ratio of regular members to irregular members for repayment of loan is 3:1.

## **SUGGESTIONS**

1. While forming a SHG of women there is need to bring equal strength from general as well as backward category, for bringing social status.
2. Every SHG of women of Nagthane village should try to give membership to divorce women.

3. Education is the base of all round development. Therefore every SHG of women of Nagthane village should try to develop education awareness among its members, and their families.
4. Literacy and numeric training is needed for the poor women to benefit from the micro credit schemes, so every SHGs of women of Nagthane village should depute their members for various training programmes organized by other external agencies.
5. The bank should advance adequate credit to the SHG according to their needs. The bank should follow simple administrative procedure.
6. Marketing facilities for the sale of products of SHG may be created.
7. There should be more facilities for technical trainings and employment opportunities to the younger generation in the SHGs.
8. There should be better understanding and cooperation among the members of SHGs.
9. Insurance linked credit facilities can be introduced.
10. The amount of credit advanced by banks was not adequate.
11. The complete success of SHG depends on efficient management of records such as meeting attendance, maintaining proper ledgers ,minute book etc. Therefore, proper care must be taken by SHG of women of Nagthane village for enhancing their total working.
12. The SHG of women of Nagthane village should take effort for improving economic status of their number by implementing various income generating activities ie; Handicraft business, Hotel industry, Sugarcane juse bar, fruits stall, etc. by way of improvement in Trade fare, and local festivals.

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## Employee Retention: A Challenge for IT Industries

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**Abstract:** Employee retention is a big and constant challenge for IT Industries. Employee attrition is a costly dilemma for IT Industry. There is a demand for Indian IT talent all over the world. So it is more difficult to retain talented individuals than it was several years before. Therefore, it is imperative that organizations and managers recognize that retention must be a continuing HR emphasis and a significant responsibility for all super visors and managers. This research explores the challenges of retaining employees, the reasons for employee attrition and some retention strategies. As companies always think that giving a hike in salary to retain employees will solve a problem but this however is no longer helpful in solving the problem.

The main objective of this paper is to find the reasons of employee attrition in the IT Industries in Pune and another objective of the research is to study the strategies to be employed, which should be adopted by the IT Industries to retain their employees. Through this research I am going to analyze the other reasons that makes employee quit an organization and focus on the pragmatic, innovative and effective strategies in order to retain talent in the IT Industries in Pune.

**Keywords:** Retention, IT, Attrition, Strategies.

### INTRODUCTION

Today perhaps no other Industry is more people dependent than the IT industry. And the role of IT is increasing day by day. The reason is that marketing efforts try to differentiate the same equipment, merchandise or whatever, by adding features of automation, artificial intelligence and knowledge. Thus the role of Micro processing and automation is increasing. More and more equipment getting more intelligent. More and more of information being exchanged over more corners of the world Manpower attrition is an important problem which the IT industry faces today. Attrition is a fact of organizational life. Almost all the industries have to battle increasing employee attrition rates globally and the Indian industries, too. With enhanced information technology and booming of the economy the employment opportunities in the business environment are on the increase as well. As the companies are becoming aware of the enhanced opportunities and changing business environment employees in the companies are feeling uncertain about their careers and, in turn, their future. The outcome of the above mentioned change is high employee stress, decreased productivity.

It is a known fact that employees are not inclined to continue in one particular organization, and keep on moving in search of a good career, experimenting on it and their life interests. It is also a fact that

employers usually want their star performers to be retained in their organization in their permanent positions, without quitting the company. Every HR managers feel that retaining their talented workforce is one of the challenging task, and it is becoming difficult for them to tackle the problem of excessive attrition in their companies and to find ways of retaining their staff.

Attrition is a reduction in the number of employees through retirement, resignation, reassignment, transfer or means other than layoffs. The growing and prosperous Information Technology (IT) industry provides multiple job opportunities for the software professionals. Consequently, a large number of people switch from one organization to the other. The National Association of Software and Service companies (NASSCOM) predicts that about 1.1 million new jobs would be created in India. Thus it is evident that, a large number of vacancies would be created because of the high rate of attrition as well as the new opportunities created by the evolving job market. Thus maintaining the supply and demand of professionals in equilibrium would become an important task for HR managers in the near future. Thus it is important to recognize and analyze the primary factors that cause attrition in man power due to "job hopping".

Attrition is the major issue in almost all the industries in recent times. Many organizations have started probing this problem in depth and are looking for correlation between aspiration levels and differentiated package of solutions at different stages of one's career. This philosophy centers on the compensation package for juniors and mid-career professionals. Attrition not only reflects the hiring policies of an organization, but also induction/retention strategies, training methodologies, work culture and many other factors.

Beginning 1990s the Indian business environment has undergone remarkable changes. Most organizations viewed the presence of a long serving group of employees as an indication of internal efficiency. However with economic liberalization opening up new career horizons for professionals in most industries, and there by tremendously enhancing their prospects for mobility from one organization to another organization. Employee attrition is high in IT industries. In the backdrop of IT companies in Pune mulling a pact to curb attrition, a study has revealed that rate of attrition in Pune is one of the highest in the country. A recent study by recruiting firm Team Lease points out that in the last one year, Pune, along with Delhi, recorded the highest attrition rates compared to Bangalore or Hyderabad.

According to the NASSCOM chairman, Attrition rate at Infosys had gone up to 13.4 percent during the 2010-2011 fiscal. From just 11.1 percent during the previous fiscal year. At the same time Mittal pointed out that as the attrition rate at Tata consultancy services (TCS) the largest software service provider in the country continued to be constant at 11.8 percent. Wipro-15.8 percent, HCL Tech- 15.7 percent. From an employment perspective, Pune shares positive hiring sentiment as well as a relatively high positive business sentiment. "There is a gradual increase in intent to hire from tier II cities, showing that companies are looking well beyond the urban markets for tapping talent," Sangeeta Lala, vice-president, Team Lease Services Pvt Ltd., said.

Information Technology is one of the most important industries in the Indian economy. The IT industry of India has registered huge growth in recent years. In the last ten years the Information Technology industry in India has grown at an average annual rate of 30%. The liberalization of the Indian economy in the early nineties has played a major role in the growth of the IT industry of India. Deregulation policies adopted by the Government of India have led to substantial domestic investment

and inflow of foreign capital to this industry. In 1970, high import duties had forced IBM to leave India. However, after the early nineties, many multinational IT companies, including IBM, have set up their operations in India. During the ten year period the Indian software industry grew at double the rate as the US software industry.

Some Abundant availability of skilled manpower is the major reasons for the significant growth of the IT industry of India. The software industry has been the sunrise industry in India. The software industry will create millions of new jobs in the years ahead. India more than any other developing nation, is seizing this opportunity, and will become a huge exporter of software expertise. In fact India is likely to be a software superpower in IT map of the world .On account of it being an important source of technically qualified manpower. One of the most distinctive characteristics of those software organizations is therefore to recruit, train, empower, and retain the best and the brightest professionals. IT sector is one of the major contributors to the service sector growth in India.

In terms of specific sectors, the IT Enabled Services sector may be hit since a majority of Indian IT firms derive 75% or more of their revenues from the United States. 500 companies slash their IT budgets, Indian firms could be adversely affected. Instead of looking at the scenario as a threat, the sector would do well to focus on product innovation (as opposed to merely providing services). If this is done, India can emerge as a major player in the IT products category as well.

### **Research Methodology**

The research is undertaken to assess the causes of attrition and suggests some retention strategies to control the attrition in IT Industries. The main aim is to ensure that the required data are collected objectively and accurately.

Study purports following objectives:

1. To study the Retention problem in IT Industries.
2. To understand the causes behind the employee attrition.
3. To suggest retention strategies to control the attrition.

Data regarding the causes of attrition and retention was collected directly by interacting with the employees of the organization by a structured questionnaire.

The secondary data needed was collected from the magazines, journals and the internet.

Data regarding perception towards employee attrition had been collected from 100 Employees working in a different IT Industries. Researcher has used purposive sampling method and collected quantitative data, the data collected from primary source were analyzed by using simple statistical tools viz. tabulation, percentage etc.

### **FINDINGS AND ANALYSIS**

1. It is found that the percentage of attrition was the highest (62%) among the respondents of 25-30 age categories and was the lowest (10%) among the respondents of 20-24 age group categories and the 28% among the respondents of 30 and above group. on attrition From the analysis it is inferred that there is a close relationship between the ages of respondents. And its impact.

2. It is found that the percentage of attrition was the highest (73%) among the male respondents. And the lowest (27%) among the female respondents. From the analysis it is concluded that there is a close relationship between gender and its impact on attrition.
3. It is found that percentage of attrition was the highest (64%) among the respondents of 2-4 years experience and (17%) attrition among the 5 and above year experience respondents. 19% attrition was among the 1-2 years job experience respondents. From the analysis it is concluded that 2-4 years experienced IT professionals having higher percentage of attrition.
4. Employees leave organization due to various reasons. 40% IT professionals left the organization due to better offer next door. 25% IT professionals resigned due to overseas opportunities. 8% professionals leaving job for only higher package. 12% IT professionals left the job because of boss relation. Very few professionals leave the job due to improper time schedule. From the analysis It is concluded that Majority of IT professionals left the job due to growth opportunity.
5. Female IT professionals left the job and they shift the cities due to marriage. 4% IT professionals resign due to personal and family problem. 2% employees quit their jobs due to lack of appreciation. Majority professionals are leaving the job voluntary and very few professionals leave the job due to company problem means voluntary attrition rate is very high compare to involuntary attrition. Means the 92 percent employees left the job voluntary. And only 8% employees left the job involuntary.
6. The most common reasons for which employees leave an organization is salary or compensation. Now days almost all the IT companies are facing high attrition problem. Due to this most organizations having lot of opportunities with higher package. Employees who have experience and skills they got excellent opportunities. If they feel that they are not being rewarded or even considered for an increase, they immediately quit the job and join elsewhere.
7. Junior executive level having higher attrition rate in the organization. Their future plans are so high. They should always think about the higher dream. They want higher status, higher living standards so they always thought about the high payment, extra remuneration. And they started seeking an big opportunities..
8. Another reason an employee to leave an organization is the interpersonal relationships. For them money is doesn't matter. Much of them are satisfied regarding the salary. But they had so many conflicts with the colleagues and peers. They are not feeling secure.
9. Sometimes employee chooses to another organization because of personal reason such as ill-health of the kids or their parents, desire to return to the native place for family reasons. The spouse is transferred and the current organization has no branch in the new location and so on.
10. Female employees quit their jobs because of marriage and pregnancy. Females having higher responsibility at home. Such females required flexi time facilities. That becomes a one attrition reason in female employees. An employee leaves an organization if the fairness of the system does not inspire his confidence.
11. High levels of stress and lack of work life balance in the long run perspective, stress level is high under the weight of excessive workload Employee's personal life will also go for a toss due to alarmingly high level of work pressure.
12. Hence, retention of talent pool is one of the biggest challenge in front today's organization.

## **RETENTION STRATEGIES**

By referring above findings few prescriptions have been rewarded that may assist IT firms to retain intellectual, Knowledgeable and educated manpower, which consequently helps organization to prosper.

### **Benefits Play a Role in Retention**

While employees do not all have the same needs or desires in terms of benefits, it is true that the availability of different types of benefits programs can be a powerful tool for employee retention. Some innovative benefits programs that are gaining favor in today's workplace and can have a positive impact on retention include:

**Elder Care:** These types of benefits can be of great assistance to workers struggling to continuous the demands of work, their own children, taking care of elderly parents, and personal relationships. Making elder care benefits available recognizes the needs of the baby boom generation, which currently makes up the largest segment of the workforce.

**Flex Time:** Many employees are better able to juggle their life and work responsibilities when employers offer flexible scheduling solutions, such as part-time employment, split shift availability, job sharing, etc. By making flex-time available to employees where possible, employers demonstrate respect and understanding regarding the need for work-life balance that is so important.

**Communications – Getting Your People to Care:** Communication is the first step toward creating the kind of environment that people care about, and if they care, they just may stay. I'm not talking about a lot of New Age stroking designed to bring out the inner person or false praise that creates a misplaced sense of security. Instead, keep your people in the loop about what's happening with the company. At any time, all of your employees should have a pretty good idea of how business has been, and they should be aware of what issues the company is attempting to address. That means that you regularly keep your people up to date with important events affecting the company. Share good news, as well as points of concern. If you've got "issues," talk about them before they start making you crazy. And if they don't get resolved, figure out whether the problem stems from a couple of individuals or from your system.

Listen to your employees when they have ideas for improvement. Again, the benefits extend beyond just making people feel appreciated for their contributions. These are, after all, the people who do the work every day. They may have some ideas to improve productivity, and when they do come up with one, let everybody know where it came from. Post a "brag board" in your break room, or circulate an internal newsletter that touts these contributions. The pay-off is a contagious feeling of pride and, perhaps, some new efficiency that saves the company money.

1. Offer fair and competitive salaries commensurate with industry. Fair compensation alone does not guarantee employee loyalty, but offering below market wages makes it much more likely that employee will look for work elsewhere. To retain workers, conduct regular reviews of the salaries offer for all job titles like entry level, experienced staff and supervisory –level. These salaries need to be compared with department's salaries with statistically reliable averages. If there are significant discrepancies, then management needs to take steps to ensure that organization is in line with the marketplace.



2. **Developing a Good Training Program:** Training is a vital function of every organization which helps employees in performing effectively. Providing proper training is essential to both employer and employee in increasing their skills and managing their job more easily. It is essential for both professional performance and organizational development. It helps employees perform effectively and efficiently.
3. **Reward and Recognition of Employees:** In the changing business environment the employers should be aware of how they have to be recognized and rewarded as an employee. With the change in the information technology and work culture, employers should be aware of providing innovative recognition and reward programs, and should be reviewed from time to time. Traditionally, employees used to be rewarded once in a year but with the change in the business environment, the way the rewards and recognition is provided to the employees has also changed. Recognition and rewards are considered to be powerful tools for employee motivation, satisfaction and performance management. Rewards can be in monetary and non-monetary terms. Monetary rewards are important for a company that recognizes and rewards its employees. One way of rewarding employees is by recognizing their performance for a particular period of time and rewarding them accordingly. Recognizing and rewarding the employee's performance will help the organization celebrate its success. It is often found that rewarding employees through non-monetary rewards is relatively easier than rewarding them monetarily, as other benefits are readily available. The different reward systems available are variable pay, lump sum merit awards, meeting expectations awards and so on.
4. **Stock Options:** Various compensation policies have been evolved at corporate level, as companies started looking for innovative ways of retaining their employees. One of the ways is to use stock options. Stock options are generally the right but not obligation to buy the company's stock at some point in the future at a predetermined price. Granting stock options to employees has a positive effect on the overall performance of the organization. They are offered by both public and privately held companies. They have found their way to India in 1990s and have begun to be used by them as one of the retention tools. Infosys was the first stock option schemes (ESOS). These options were also effectively used by companies in retaining their talented workforce.
5. **Strengthen the Recruitment Process:** Employee retention invariably depends upon effective recruitment. When an organization hires an employee who has the right mix of skill set and personality, he is pretty much likely to stick to his job. It is quite necessary for an organization to have cleared, accurate and a very transparent recruitment process. It is equally important to be frank and realistic with potential hires.
6. **Career Opportunities:** World class training, development and career management are effective tools that will help an organization to retain its talent. It makes sense to find out employees expectations vis-à-vis the company and ensure that it is delivered. Companies should provide an opportunity to put the employee's career on high growth trajectory mode. Employee should be encouraged to attend meetings and seminars at regular intervals. Companies should have a constant dialog with employees about their professional aspirations. Companies can

financially sponsor and support the employees to pursue higher qualifications without losing their gainful employment.

7. **Opportunities for Advancement** Employees who don't feel they have any opportunities to advance often become frustrated and begin to seek new jobs. It's important for managers to communicate openly with employees about the requirements to move ahead within the organization, and to reward high performing, long-term employees with chances to advance as they become available. When chances for promotion to a new position aren't feasible within the structure of your organization, there are still ways to improve retention. It can be beneficial to involve long-term performers in new hire training, inviting them to participate in work processes or systems improvement projects, and by giving them priority choices for assignments.
8. **Exit Interviews as a Retention Tool:** Exit interviews stand out as one of the best option to get into the roots of the attrition problem. Exit interviews provide the HR managers a chance to understand what an employee needs and also to discover workplace issues. Many organizations often find it difficult to unearth the areas where the problem is most severe, or to expose the specific causes of employee attrition. In such cases exit interviews stand as an ideal platform, where the HR managers gain a clear picture about their employee's demands and take initiatives before they lose their star performers to their competitors. Exit interviews, if conducted properly, can be very effective tools in retaining the employees. The HR managers should know how to diagnose the results obtained from the exit interviews. They also feel that outsourcing exit interviews often reduces the costs. Exit Interviews as a tool for talent retention. Exit interviews are conducted to find out why people leave the organization? It also conducted for people who you would really have liked to retain. Then the data is used to find out how to retain the most productive associate, the one you would really have like to stay on. These exit interviews are valuable tools that help managers in developing ways to retain the most productive associates of the organization. Exit interviews are the major players in retaining the employees.
9. **Work Life Balance:** In today's competitive world, work life balance has become a buzzword and often people are realizing that they are in need of balancing their work and home life. In efforts to earn more money and to have a good quality of work life, they have been trying hard, there by missing the point of balance between work and home. With the shift of the economy towards knowledge economy, employees have started working for 12-14 hours instead of 8-9 hours per day, and even the meaning and importance of the quality of work life has also changed. There is a need to restructure their work schedule and bring about a balance between the employees work life.

## **CONCLUSION**

Retention is becoming a serious problem in today's corporate environment. As employee attrition has been the silent killer for improving the organizational productivity. Attrition cost for many organizations are very high and can significantly affect the financial performance of an organization. From results it can be concluded that there are various reasons behind employee attrition. These reasons are best offer next door, overseas opportunities, Boss relation problem, higher package, further overseas studies, shifting of cities due to marriage, family and personal problem, improper time

schedule and parent's health requires moving to other cities. Voluntary attrition rate is high between the ages of 25-30 years. After getting the 2-4 years experience IT professionals got higher opportunity so the growth opportunity is the main reason of the voluntary attrition. This research paper suggested a some retention strategies if implemented properly would help concern organization to understand their employee's needs with regard to their career, job, and family and retained their talented workforce, thereby meeting their expectations and requirements, and thus reducing employee attrition.

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## ANNEXURE

Table 1: Impact of Age on Attrition

B	Age	No. of Respondents	Percentage (%)
1	20-24	10	10
2	25-30	62	62
3	31 and above	28	28
	Total	100	100

Table 2: Impact of Gender on Attrition

Sr.	Gender	No. Of Respondents	Percentage (%)
1	Male	73	73
2	Female	27	27
	Total	100	100

Table 3: Impact of Experience on Attrition

Sr.	Experience in Years	No. of Respondents	Percentage (%)
1	1-2	19	19
2	2-4	64	64
3	5 and above	17	17
	Total	100	100

Table 4: Impact on Marital Status on Attrition

Sr.	Marital status	No. of Respondents	Percentage (%)
1	Married	68	68
2	Unmarried	32	32
	Total	100	100

Table 5: Causes of Attrition

Sr.	Causes of Attrition	No. of Respondents	Percentage (%)
1	Higher Package	8	8
2	Better offer next door	40	40
3	Overseas opportunities	25	25
4	Further overseas studies	2	2
5	Boss Relation problem	12	12
6	Improper time schedule	2	2
7	Shifting of cities	5	5
8	Lack of appreciation	2	2
9	Family problem and personal problem	4	4
	Total	100	100

Table 6: Table Showing Voluntary Attrition Rate

Sr.	Attrition	No. of Respondents	Percentage (%)
1	Voluntary attrition	92	92
2	Involuntary attrition	8	8
	Total	100	100

## Influence of Social Media on Consumer Driven Marketing

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**Abstract:** The core concept of marketing is transaction. The transaction is to exchange values between two parties, but the nature of social marketing is to exchange human being's welfare. Social marketing is attempted to induce people to change their behaviors to improve their lives. Therefore, social marketing becomes an important issue in recent years and more scholars focus their researches on the concept of social marketing. Some studies in this field come from associations of social marketing. Many researchers review the studies of business commercial. However, our study is to clarify the differences between the concept of business commercial and social marketing. The purpose of this study is to understand the concept, definition, nature and research findings of social marketing. Furthermore, our study is attempted to propose the research questions of social marketing after reviewing the relevant literature and to find future direction.

**Keywords:** Social Media, Social Marketing

### INTRODUCTION

The Scholars had debates on concept of social marketing and indicated it was vague (Blair, 1995; Bonaguro & Miaoulis, 1983; Buchanan, Reddy, & Hossain, 1994; Grace, 1991; Hastings & Haywood, 1991, 1994; Lefebvre & Flora, 1988; Maben & Clark, 1995; McBrien, 1986; Syre & Wilson, 1990; Timmereck, 1987; Tones, 1994; Winett, 1995). Most researchers cited Kotler and Zaltman's definition of social marketing in 1971 (Andreasen, 2002). In 1971, social marketing was social change to induce target audience to accept the social ideas through the control of designing and executing programs. The concept was to obtain the target audience the maximum of social ideas' response through selecting marketing segmentation, doing consumer behaviors' research, developing new products, and stimulating direct communication (Kotler & Zaltman, 1971). Therefore, assessment of social marketing was to understand effectiveness of social action. The effectiveness of social action was to obtain the target audience's social response through effective marketing techniques and communication programs. Social marketing was a branch of marketing. It was concerned with marketing techniques to improve marketing policy and strategy (Luck, 1974).

Social marketers sold behavior's change (Kotler, Roberto, Lee, & Andreasen (2002). Social marketing was to promote the procedure of individual's behavior change to reduce social problems. Potential uniqueness of social marketing was behavior change and customers-driven. It implicated consumer research, marketing segmentation, target audience's welfare-oriented programs, and strategy (Andreasen, 2002).

Marketing experts described role of marketing was beyond economics exchange and involved idea exchange. For example, candidates won votes to exchange their politic stages. It was called exchange. The new marketing approach explored the products and services of social exchange. Marketing could be applied to politic activities. For example, the candidates could use marketing research to understand how to attract voters from different regions. Image research facilitated the candidates' image of outside look. Publication right and public relation facilitated desirable television speech. Furthermore, marketing could be applied to community programs. Because people distrusted the police, they became not to respect the police. Therefore, marketing could be applied to promote multiple benefits of Police. Moreover, marketers also could investigate people in public for police's role perception to recruit young and active police in different communities. The perspective of social exchange could be applied to social factors. Most people were familiar with advertising of pollution control, family plan, or smoking quitting. Marketing actions included marketing strategy to facilitate the promotion of the ideas. For example, organizations of smoking quitting might be sponsors to support designing special products for those people who intended to smoke. The special products could make people not to smoke. At the same time, the organizations also promoted the non-smoking idea because smoking was detrimental to people's health (Laczniak, Lusch, & Murphy, 1979).

Marketers adopted marketing principles and techniques to accomplish whole benefit for human being and society. They make the target audience be willing to accept new behavior, reject potential behavior, modify current behavior, and abandon old behavior (Kotler, Roberto & Lee, 2002).

## **NATURE OF SOCIAL MARKETING**

In Commercial marketing, the core concept of marketing was transaction and transaction was to exchange values between two parties (Luck, 1974). However, nature of social marketing was welfare exchange. Social marketers sought to exchange welfare, and it was to exchange people' well-being. People's well-being was not for individual issue (Brenkert, 2002). Scholars claimed welfare was not just issue about feeling, emotion, or mind. It was about the happiness for living (Rescher, 1972). Brenkert's research was claimed to stop taking drug and provide female's education opportunities. Social marketing was attempted to induce target audience to change their behavior. It was for welfare exchange to solve social problem. The nature of social marketing was different from the commercial marketing.

### **Objectives**

Granger's research examined objectives was foundation of selection strategy. After that, marketers decided tactics (Granger, 1964). According to Granger's study, Fine's research proposed marketers should understand consumers' objective and selection strategy. It showed consumers' objectives might become characteristics to evaluate consumers' decision-making and behavior (Fine, 1980). Scholars reviewed the decision-making model to consider behavior of family unit as the foundation of social exchange theory (Bagozzi & Van Loo, 1978). Family was a major element of family marketing strategy (Ferber, 1977). People had the objectives and used them to select their decision rules (Stratmann, 1975). The marketing strategy of social change was to make sure what people's objectives were (Adams & Havens (1966). Different selection strategies implicated various marketing tactics. If selection strategies could be predicted, marketing activities could be adjusted the offers to match

consumers' selection strategies. At the same time, marketers also could try to persuade consumers to choose another kind of product selection strategy. They might induce consumers to adopt different selection rules (Wright, 1975). In Fine's study, he measured the objectives of family units or consumers' selection strategies and analyzed the data to predict the behavior. Marketers could observe the behavior from the objectives (Fine, 1980). Safety driving became an issue of social marketing. The social objective in some researchers' study was to create the habit and attitude for safety driving (Kotler & Zaltman, 1971).

### **Products and Marketing Mix of Social Marketing**

The concern of marketing thought was social products (Fine, 1979). It belonged to marketing boundary (Kotler, 1971). Social products were forms of exchange for human-being (Bagozzi, 1975). In Fine's research, he considered market segmentation of intangible products, but not to think about traditional products or services. Importance of family nutrition was consumers' basic objective and intrinsic psychology factor when the consumer made their decisions (Fine, 1980). Therefore, marketers could add the element, the importance of family nutrition to persuade their consumers to accept the idea and it could become a social product.

In social marketing, sellers had to investigate their target audiences and design appropriate products, so they had to package their social ideas for their target markets. In some researchers' study, products designs were more challenge in social field than in commercial field. Different products were designed to become a part of social objectives. Activities of public education provided decoration for safety driving and also provided curriculum for defendable driving. Social marketers maintained core products, safety driving to their target audiences. Strategy of social actions intended to focus on mass media communication.

### **Consumer Driven Marketing**

The social media is today's most transparent, engaging and interactive form of public relations. In advertising, marketers had to decide budget of total advertising, selection of advertisement, selection of effective and efficient media, schedule of advertising, and measure of segmentation level. In individual, marketers had to decide size of sale force, sale region and task development, development of individual's presentation strategy, motivation of sale force, degree of monitoring and effectiveness of sale force. Different media showed news of products. In selling promotion, marketers could use special display, bonus, programs to stimulate target audience's interests and actions. In marketing channel, strategy of anti-smoking action was to set up smoking clinics in big cities and provide telephone advices from social organizations. Therefore, marketing channel was places for action, including numbers, sizes and locations. Prices included monetary cost, opportunism cost, energy cost, and psychology cost. For example, drivers fasten the seatbelts or not to avoid accidents was uncertainty psychology cost. Marketers' approaches here were to consider target market and cost-effective analysis when making the prices of social products. Cost-effective analysis should consider the investment for money, time, or energy (Kotler & Zaltman, 1971).

## **Research Findings of Social Marketing Issues**

The issues of social marketing are involved in health, security, environment and society. Researchers discussed the issues for pollution control and drug abuse (Kotler & Zaltman, 1971). Other scholars described the details how parents stop abusing their children and how people help teenagers resist smoking (Stannard & Young, 1998; McKenna, Gutierrez, & McCall 2000; Pechmann & Reibling 2000; Zucker et. al., 2000). Legislation, marketing mix, target audience, segmentation, competitive analysis, and exchange ideas are included in research of behavior change. Examples for developing social marketing plan included improving health (Balasubramanian & Cole, 2002) and environmental products (Laroche, Bergeron, & Forleo, 2001). Scholar understood if nutrition label affected segmentation research (Fine, 1980). In Fine's study, he discussed the strategy of choosing target audience. In his approach of nutrition education, awareness of food and health among target audience strengthen the maximum consumption advantage of nutrition information between nutrition plan and specific food. In Fine's research finding is to suggest marketing segmentation research had to set up the criteria for selecting target audience. Researchers claimed that the criteria could be demographic, social economic characteristics, consumption model, personality trait, attitude and preference of consumption unit (Frank, Massy & Wind, 1972). Scholars focused idea marketing and organizational behavior of target audience (Bloom & Novelli, 1981).

In some studies of social marketing, the marketers examined the regulation of alcohol control affected the effectiveness of social marketing to reduce the consumption of alcohol drinks. The research used the historical data of State to evaluate the need for alcohol and beer. Social demographics and regulation variables showed the variance in consumption of alcohol and beer. The control regulation significantly affected the prices of consumption. The control regulation affected teenagers in beer and it affected the prices of beer consumption less than the prices of alcohol consumption. In the approach of public policy, the result showed the marketers could do de-marketing segmentation. The prices advertising in alcohol consumption were higher than beer consumption (Ornstein & Hanssens, 1985).

In Bang's research, he indicated mass media were against driving after drinking alcohol.

The objective was to persuade the public to stop drinking and driving. He claimed the media were not only concerned about short-term behavior change, but also continued to change the recognition of people in public driving after drinking alcohol. For example, the marketers chose the idea of dry society in colleges to notify people that they could not drive after drinking alcohol (Bang, 2000).

## **CHALLENGES**

### **Marketing Analysis**

Scholars found less researches of social marketing had excellent consumers' secondary data. Social marketers seldom gathered the fast and non-expensive guidance of records from previous consumers' researches. Most social organizations only had fewer consumers' researches with limited budget. so the researches had fewer samples and simplified procedures of analysis. However, the most excellent sources of secondary data were from the literatures of colleges or academics. Academic marketers could produce good consumers' researches to provide the findings for social marketing programmers.



Because the problems from social marketers had to ask questions to reach people's deep anxiety and values, the researches of social marketing were hard to find the measures of valid and reliable significant variables.

Although people were willing to take the interviews, they intended to provide the answers with self-guarding and social desirability. Therefore, the design of questionnaires could be long and open-ended questions. The researches of social marketing were also difficult to find relevant key of successful factors from consumer behaviors. Social behaviors usually intend to have more than one or two variables, so it was hard to find the variables from respondents' mind. For example, the factors for patients to stop drug therapy might be related to self-discipline, family support, and poor communication with doctors. The researches in the field were hard to gather funds from social organizations because it was difficult to persuade the sponsors to support intangible outputs of programs. Therefore, if Federal Government were involved in the researches of social marketing, the questionnaires and research designs would be submitted to the agencies and departments of management budget. The quantity of focus groups could not have representative of all and it would cause fallacy and poor marketing planning (Bloom, 1981).

### **Market Segmentations**

The researches of social marketing focused on certain market segmentations, but ignored others. Because there were not appropriate data of behaviors, researches in this field were hard to find the effective segmentations. The target audiences mostly consisted of consumers with negative intention. Highly involved negative intention of consumers had more difficulty to change their mind than low involved negative intention of consumers (Bloom, 1981).

### **Products Strategies**

The researches of social marketing were difficult to construct the concept of products. At the same time, it was hard to select and execute long-term position strategies because some parties were positive appeals, but some were not. For example, there were positive appeals for consumers, but negative appeals for sponsors to obtain continuing supports (Bloom, 1981).

### **Prices Strategies**

Social marketers found consumers intended to do social behaviors and attempt to reduce monetary, psychology, energy and time cost. At the same time, social marketers intended to be less control the consumers' cost and they eliminated inconvenience from reducing prices (Bloom, 1981). The social marketers were difficult to measure the prices (Rothschild).

### **Marketing Channels Strategies**

It was difficult to control middle levels of distributors because marketing channels depended on the middle levels of distributors could accept the ideas or not from social organizations. Social marketers designed programs to motivate target audience to quit smoking. For example, people would like to quit smoking, but did not know what to do (Bloom, 1981).

### **Communications Strategies**

Social organizations could not use paid advertising. If government agreed them to use paid advertising, more social organizations would ask for them, so not to use paid advertising because there were taxpayers' consideration. There was much information to communicate. It was difficult to obtain meaningful information from pre-test (Bloom, 1981).

### **Organization Design and Planning**

It was difficult to understand marketing actions. At the same time, social marketers had to predict friendly or not friendly competitors for their social organizations (Bloom, 1981).

### **Assessments**

It was hard to measure the effectiveness of objectives. Social marketers found difficulty to reach the objectives of programs through recognition of social issues and behavior change. At the same time, programs of social marketing were difficult to deliver the social products of objectives to target audience (Bloom, 1981).

## **CONCLUSION**

After reviewing relevant literature, we recommend several research directions. Researchers focus on dealing with social ideas and behaviors. Although marketers of commercial marketing have more ethical issues to discuss, the scholars of social marketing are less concerned about the ethical dimensions. The researchers of social marketing could understand if the knowledge of nutrition labels affects the linkage between fiber food and heart disease or not. In different consumers' segmentations, researchers would like to know how diet, knowledge of long-term disease risks and other potential diet reasons affect products assessments. Marketers could examine if education power enhances target audience' knowledge between diet and diseases. The research is to understand if education power could clarify the linkage relationship between diet and target audience' incorrect belief. The scholars would like to know if parents' perception from advisors of education programs affects teenagers' values and behaviors. The marketers could understand how marketing communication facilitates organ donations and how to build up the message to affect the potential target audience' organ donation and their attitude.

The relationship between social marketing and commercial marketing has significant differences. Although they have similar training consideration, both techniques in rules and limitations are still different. Therefore, it enhances the marketers' difficulty to plan and execute the programs. The social marketing deals with the core belief and values of social ideas, but the commercial marketing is to understand consumers' preferences and opinions. The social marketing has to work hard to make target audience' accept the ideas or social products. Therefore, marketing channels are the places to distribute the social ideas or social products. If the marketing channels could not distribute the ideas of social behaviours well, the ideas of social marketing would be limited. Therefore, the selection strategies and techniques of social marketing are very important. The challenge of social marketing is to focus on individual's behaviours change to promote in public through social change programs. Private organizations and colleges are the appropriate places to promote social ideas or social

products. Now stretching it further the social sites have become more pertinent in the social media and have become consumer driven markets with modern technologies. Over next six months time 45,000 Indians are going to join on line social network sites every day!

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## CRM A Trajectory towards Customer Loyalty

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**Abstract:** Competition, global quality, and new economic realities limit success of the organizations. Revenues, profits, and market shares will be gained only from retained and new customers. In the new market place, under global market-oriented economy the choice-empowered customer will decide survival and success of the organization. In the global competitive market, management must focus on the customer. The very existence and survival of an enterprise is now the customer, not production, or profits or even market shares. The customer is now demanding, choosy and also unforgiving. Today customer demands the most cost-effective way of fulfilling the needs. Customers expect quality and value for money. So in the current circumstances a question arises whether customers are satisfied or not and what elements will lead to satisfaction or dissatisfaction of customers.

**Keywords:** Customer, Customer Satisfaction, CRM, Customer Loyalty, Service Quality.

### INTRODUCTION

Organization has to face changing and turbulent environment in future. The changing environment will have the following challenges-demanding consumer, high consumer choice, splintered market, lower margin of profit, rising costs, ever-increasing competition, globalization, leering organization. New economic realities, global quality and competition limit success only to organizations. Revenues, profits, and market shares flow only from retained and new customers. In the new market place, under global market-oriented economy the choice-empowered customer will decide fate of organization.

CRM is an acronym for Customer Relationship Management, it is a business strategy designed to help enterprises to meet the expectations of their existing and prospective customers and build a strong business relationship with them over time. CRM is the most significant factors for profitability. It affects customer retention; more satisfied customers are greater in their retention. CRM follows maximum keep pleasing the customers and they will keep coming back. The Customer Relationship Management concept is more than just identifying whom our customer are providing them with a quality services and analyzing their performance. The key dimensions of Customer Relationship Management are customer loyalty and customer profitability. Thus customer Relationship Management helps as to face through competition and to create image.

Effective Customer Relationship Management has the ability to determine which customer has more profit-graph, to determine what drives to that profit, and being able to build the business models,

tactics, framing the policies to ensure future profitability from such customers. Every companies game plan includes 'G-spot i.e., goals, strategies, plans, adjectives, and tactics.

### **Research Problem**

The very existence and survival of an enterprise is now the customer, not production, or profits or even market shares. The customer is now demanding, choosy and also unforgiving. Today customer demands the most cost-effective way of fulfilling the needs. Customers expect quality and value for money. In the global competitive market, management must focus on the customer. Customer must be the core of the corporate world today. Now it becomes crucial to management at all levels shall monitor and meet changing needs and expectations of the customer. They have to streamline processes, cut cost structure, and restructure to secure quicker response to the customer demand. Then only one will have unique competitive edge to conquer tomorrow's market today. Hence it become necessary to study customer on whom the all management activities are based and role of CRM in his satisfaction.

### **Literature Survey**

CRM is building relationship with most valuable customers. One should need to know his customers well enough to determine what kind of relationship they want. CRM can help in increasing customer's satisfaction. Satisfied customers stay loyal and longer with the organization, buy more, and talk favorably about the firm and its products and services. Keeping customer satisfied is cost effective, since its costs more to lure a customer away from a competitor than keeping the existing. Organizations are making every effort to improve a level of quality in their products and services in order to satisfy their customers. (Oliver 1981)

If customers are satisfied with a particular high quality service offering after its uses then they can be expected to engage in repeat purchase and even try line extensions and thus, market share can be improved. (Medobal 1996)

CRM can help is increasing customer loyalty. It can tell how satisfied your customers are, it can track customers defection and retention. (Major R 2003)

Acquiring new customers can cost five times more than the costs involved in satisfying and retaining current customers. There is a direct correlation between satisfaction, retention, company profitability and customer value. Also satisfied customers tend to tell at least three other people about their shopping experiences where as a dissatisfied customers tends to complain to at least nine other people. (Richard F 1992)

Recent Studies have shown that CRM is influenced by not only perceptions of service quality but also by perceptions of product quality, pricing factors as well as situational and personal factors of the product in the market. (Bitner 2000)

### **Types of Customer Relationship Management**

There are four types of Customer Relationship Management

- A. To save or Win back
- B. To attract new or potential customers

- C. To create loyalty
- D. To up sell or cross sell

**A. Win Back or Save:** This is the process of convincing a customer to stay with the organization at the point they are discontinuing service or commencing them to rejoin once they have left. Of the four categories of campaigns, win back is the most sensitive; research indicates that win - back campaign is four times more likely to succeed if contact is made within the first week following a defection than if it is made in the fourth week. Selectivity is the other essential characteristic of a successful win - back campaign. The targeting of win back campaign is more difficult because many companies are poor at defining and identifying lost customers and they have no reliable data base. Some times the relationships ends because of high price or wrong product, so win back can be initiated when these issues are resolved. Win back is hardest if the customer left due to poor services, unless the competitor service is even worse.

**B. Prospecting:** Prospecting is the effort to win new, first time customers. Apart from the offer itself, the three most critical elements of a prospecting campaign is segmentation, selectivity & source.

**C. Loyalty:** Loyalty is the category in which it is most difficult to gain accurate measures. The organization is trying to prevent customers from leaving and uses three essential elements:

- (i) Value based segmentation
  - (ii) Need based segmentation
  - (iii) Predictive churns models
- (i) *Value Based Segmentation:* It allows the organization to determine how much it is willing to invest in retaining customer loyalty.
- (ii) *Need Based Segmentation:* Once the customer has passed value based segmentation, the organization can use need based segmentation to offer a customized loyalty program.
- (iii) *Predictive Churns Models:* Using vast amount of demographic data and usage rate available for existing customers which helps in forecasting customer attribution. Through the use of advanced data-mining tools, an organization can develop models that identify potential customers who can be targeted for the loyalty campaign or offered alternative product.

**D. Cross Sell/Up Sell:** The purpose is to identify complementary offering that a customer would like for. Once the competition of the offer is determined and the contact medium is agreed to, then the organization directly presents that offer to the customer Up selling is similar but, the organization offering a complementary product, the organization offers an enhanced one. Cross sell/up sell campaigns are important because the customer targeted already has a relationship with the organization. They are less likely to see the offer as a commodity and are thus more willing to pay a premium for it. In financial terms, when a customer accepts a Cross Sell or Up Sell offer, he is interested to become more profitable.

### Benefits to the Customer

Assuming that they have a choice, customer will remain loyal to a firm when they receive greater value relative to what they expect from competing firm. Perceived value is the customer's overall

assessment of utility of a product, based on a perception of what received and what is given. Consumers is more likely to stay in a relationship when the gets (quality, satisfaction, specific benefits) exceeds what he gives (monetary and non hat customers experience in long term service relationships including confidence benefits, social benefits, and special treatment benefits).

- (a) **Confidence Benefits:** These benefits comprise feelings of trust of confidence in the provider, along with a sense of reduce anxiety and comfort in knowing what to expect.
- (b) **Social Benefits:** Over time, customers develop a sense of familiarity and even a social relationship with their service providers. These ties make it less likely that will switch, even if they learn about a competitor that might have better quality or a lower price.
- (c) **Special Treatment Benefits:** Special treatment includes getting benefit of the doubt, being given a special deal or price, getting preferential treatment.

### **Benefits to the Organization**

The benefits to an organization due to maintaining and developing a loyal customer base are numerous. They can be linked directly to the firm's bottom line. As consumers get to know a firm and are satisfied with quality of services relative to competitors, they tend to give more of their business to the firm. And as customers mature (in terms of age, life cycle growth of business), they frequently require more of a particular service.

- (A) **Lower Costs:** There are many start up costs associated with attracting new customers. It includes advertising and other promotion costs, operating costs of setting up accounts and systems, and time costs of getting to know the customer. Sometimes these initial costs can outweigh the revenue expected from the new customer in the short term.
- (B) **Free Advertising:** Through Word of Mouth: When a product is complex and difficult to evaluate, and there is risk involved in the decision to buy it - as is the case with many services - consumers most often look to others for advice on which providers to consider. Satisfied, loyal customers are likely to provide a firm with strong word-of-mouth endorsements. This form of advertising can be more effective than any paid advertising the firm might use, and has the added benefit of reducing the costs of attracting new customers. Further, customers that show up based on a referral tend to be better-quality customers (in terms of profitability, likelihood of being loyal) than are customers who are attracted by price promotions or a new advertising campaign.

### **SCOPE OF CRM**

The changing environment in the 21st Century will demand 'customer focus'. Corporation or enterprise must have: (1) Customer - driven mission, vision and values, (2) customer-driven rewards, (3) Customer-driven mission, (4) Customer-driven goals, (5) Customer-driven planning and strategy. In essence, all corporate functions and people working in the enterprise shall be customer-oriented to offer continuous customer satisfaction and delight. Focusing on three dimensions-1. Cost, 2. Quality 3. Speed of implementation - can add value to the customer. Company's measures towards reengineering, restructuring, TQM, and value-driven holistic approach can generate greater value at lower cost. One can

also offer many services on customer's terms in order to add value to him. Customer focus can optimize costs while allowing the organization to focus on the company's core competencies.

### Competitive Environment for The Customer can be Created Through

1. Introduce Total Quality Management to enhance product quality. 2. In addition to quality, focus on processes. Assure streamlined processes (Business Process Reengineering) Thus reengineering sets your house in order. 3. Continuously update your understanding to keep anticipating customer needs as customer is a moving target. 4. Generate competitive edge through lower costs in order to deliver greater value at lower costs. Consumer makes tradeoffs between quality, price and the resultant return on the spent unit. 5. Cycle-times must be reduced in order to reduce time to market and to boost responsiveness to fulfill customer need just in time. 6. Develop brands to generate long-term value, not short-term margins, in order to retain the captured market against keen competition.

### Customizing the Corporation

All the functional areas and managerial functions must be shaped around the customer satisfaction and if feasible, around customer delight. Marketing, Manufacturing, Finance, Human Resource Development, Research and Development shall be obliged to operate directly to fulfill customer needs. Every process – not merely selling but also planning, budgeting, strategizing shall be directed towards the customer; not just the front-line person but every person including the top managers shall now interact with the customer. This transition will need three vital steps: 1. Create a chain of internal customers. 2. Introduce an ongoing process of creativity and innovation. 3. Expose every part of your organization directly to the external customer. The net result will be the continuous flow of the value of customer-service all over the organization and management of any enterprise. We shall have constant stream of ideas, keeping you ahead on the curve of creativity and innovation. Customaries culture will bloom all over your Learning Organisation.

### Small Case to Study Customer Relationship Management of Star Batteries Pvt. Ltd., Karad

#### Objectives

1. To study existing relationship between customer and company.
2. To study the problem involved in managing customer relation and steps taken to solve the problem.

#### B. Data representation, Analysis and Interpretation

Table 1: Occupation Wise Distribution of Customer

Sr.	Response	No. of Respondents	Percentage (%)
1	Transporter	41	51.25
2	Businessman	24	30.00
3	Serviceman	11	13.75
4	Others	04	5.00
	Total	80	100

(Source: Survey Data)



From the above table, it is observed that majority of the respondents are transporter i.e., 51.25%, 30% are businessman, 13.75% are servicemen and remaining 5% respondents are others. It shows that majority of the respondents of the company are transporters and hence company needs to focus more on transporters.

Table 2: Consumer Wise Distributions of Batteries

Sr.	Response	No. of Respondents	Percentage (%)
1	Inverter	41	51.25
2	Two wheeler	30	37.50
3	Six wheeler	05	6.25
4	Four wheeler	04	5.00
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 51.25% using invertors, 37.50% of the respondents are using two wheeler again 6.25% of the respondents are using six wheeler and 5.00% of the respondents are using four wheeler. Most of the customer prefers inverter's batteries and hence company needs to pay attention on two wheeler batteries and six wheeler batteries.

Table 3: Preference for Star Battery

Sr.	Response	No. of Respondents	Percentage (%)
1	Satisfactory service	27	33.75
2	Advertisement influence	12	15.00
3	Quality	36	45.00
4	Suitable price	05	6.25
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 45% prefer star battery for its quality. 33.75% respondents prefer for satisfactory service, 15% of the respondents prefer for advertisement influence and remaining 6.25% of the respondents prefer for suitable prices. It is analyzed that most of the respondents prefer services of Star batteries due to quality and satisfactory service.

Table 4: The Association of Customer of Using the Battery

Sr.	Response	No. of Respondents	Percentage (%)
1	0-5 months	12	15.00
2	6 months – 1 year	21	26.25
3	1 year – 2 year	29	36.25
4	2 year – above	18	22.50
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 36.25% of the respondents associated with the company from 1 year – 2 year 26.25% of the respondents associated with the

company from 6 months to 1 year again 22.50% of the respondents associated with the company from 2 year and above and remaining 15% of the respondents associated with the company from 0-6 months.

It is found that old customers form major part of existing one.

Table 5: Maintenance of Battery in 6 Months – 1 Year

Sr.	Response	No. of Respondents	Percentage (%)
1	1 time	42	52.50
2	2 time	20	25.00
3	3 time	10	12.50
4	More than 3 time	08	10.00
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 52.50% of the respondents do one time maintenance during 6 months – 1 year. 25% of the respondents do two times, and 12.5% of the respondents do three times maintenance and only 10% do more than three times in a year.

It is analyzed that most of the respondents prefer Star batteries due to its owl maintenance.

Table 6: Table Showing After Sale Service Facility

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	42	52.50
2	No	38	47.50
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 52.50% of the respondents are getting after sale service and remaining 47.50% of the respondents are not getting after sale service.

It is observed that majority of customers are not getting after sales service.

Table 7: Table Showing Complaints Regarding the Organization

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	27	33.75
2	No	53	66.25
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 66.25% of the respondents do not have compliant against company's service. 33.25% respondents have some complaints about the facilities provided Star Batteries Pvt. Ltd.

It is found that some respondents are not satisfied by the service provided by Star batteries. They have complaints regarding services.

Table 8: Nature of Complaints

Sr.	Response	No. of Respondents	Percentage (%)
1	Delay service	23	28.75
2	Delay information	38	47.50
3	Replacement	19	23.75
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 47.50% of the respondents have complaints regarding to delay in information. 28.75% of the respondents have complaints regarding to delay in services and again 23.75% of the respondents have complaints regarding the replacement of the battery.

It is found that communication barrier and delay in service are reasons behind the complaints of customers.

Table 9: Staff Member Behavior/Response to Customer

Sr.	Response	No. of Respondents	Percentage (%)
1	Favorable	20	25
2	Moderate	41	51.25
3	Non favorable	19	23.75
	Total	80	100

(Source: Survey Data)

From the above table, it is seen that majority of the respondents i.e., 51.25% of the respondents are treated moderately by staff member, 25% of the respondents are treated favorable and 23.75% of the respondents are treated unfavorable by the staff member.

It is found that majority of respondents do not get fair treatment by the staff members.

Table 10: Table Showing Customer's Satisfaction towards Receiving Information

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	58	72.50
2	No	22	27.50
	Total	80	100

(Source: Survey Data)

From the above table it is observed that 72.50% satisfying the customer and 27.50% customers not satisfying.

It shows that the customers are fully satisfied with the nature of information they are getting.

Table 11: Information Regarding New Schemes

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	42	52.50
2	No	38	47.50
	Total	80	100

(Source: Survey Data)

From the above table it is seen that majority of the respondents i.e., 52.50% of the respondents get information about new scheme and 47.50% of the respondents do not get information of new schemes.

It signified that company must concentrate on provision of information about new schemes to all customers. It will help in increase of new customers.

Table 12: Opinion about Dealing with Complaints

Sr.	Response	No. of Respondents	Percentage (%)
1	Promptly attended and clarified in time	28	35.00
2	Delay but clarified	25	31.25
3	Sympathetically consider but problem not solved	15	18.75
4	Problem is not solved	12	15
	Total	80	100

(Source: Survey Data)

From the above table it is seen that majority of the respondents i.e., 35% felt that their complaints are promptly attended and clarified in time. 31.25% respondents experienced delay but problem is solved, 18.75% of the respondents have sympathetically considered but problem not solved and 15% of the respondent problem is not solved.

It is found that though problems are solved there was delay in services.

Table 13: Use of Home Delivery

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	59	73.75
2	No	21	26.25
	Total	80	100

(Source: Survey Data)

From the above table it is shows that majority of respondents i.e., 73.25% are using home delivery and remaining 26.25% are not using home delivery.

It is observed that more of the respondents are using the home delivery service so organization needs to focus more attention on awareness about home delivery in the customer.

Table 14: Phone Service

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	15	18.75
2	No	65	81.25
	Total	80	100

(Source: Survey Data)

From the above table it is seen that majority of respondents i.e., 81.25% are not using the phone services. Remaining 18.75% of the respondents are using phone service.

It is observed that more of the respondents are not aware that phone services so, organization need to focus more attention on awareness about phone services in the customer.

Table 15: Suitability of Showroom Timing to the Customers

Sr.	Response	No. of Respondents	Percentage (%)
1	Yes	80	100
2	No	00	00
	Total	80	100

(Source: Survey Data)

From the above table it is observed that 100% respondents are fully satisfied with the working hours of the company.

It signifies that the Star Batteries has suitable and convenient time for customers.

Table 16: Respondents Opinion about the Company Service

Sr.	Response	No. of Respondents	Percentage (%)
1	Excellent	12	15.00
2	Good	45	56.25
3	Satisfactory	15	18.75
4	Bad	8	10.00
	Total	80	100

(Source: Survey Data)

From the above table it is observed that the majority of respondents i.e., 56.25% of the respondents have opinion that the company service is good. 18.75% of the respondents have opinion that the company service are satisfactory, 15% of the respondents have opinion that company services are excellent and remaining 10% of the respondents have opinion that company service are bad.

It is found that more of the respondents are satisfied with the company service.

## FINDINGS

1. Majority of customers are transporters and businessman.
2. The main Moto of the company is product quality and customer satisfaction due to which more and more customers prefer Star batteries.
3. Majority of customers are satisfied with the company service but complaints like delay in service, information are found.
4. Majority of respondents found average behavior from staff member. It shows that company need to focus more attention on giving favorable treatment by staff to the customer.
5. The company is able to provide information regarding the new or festival schemes to half of the customers.
6. Most of the respondents are using home delivery facility.

7. Many respondents do not use phone service facility as they are not able to explain proper nature of the Star battery.
8. All over customers are satisfied with the services of Star Batteries Pvt. Ltd.

## SUGGESTIONS

1. Transporters and businessman may be user of many vehicles. To increase purchasing frequencies of Star batteries, company need to tale some extra effort.
2. The company must concentrate on new promotional schemes which will attract new customers.
3. The company should increase quality of service and provide proper information about the product. Company should open new associates to increase network of coverage for easy accessibility.
4. It is suggested that staff of branch should treat well, maintain friendly relation and provide proper counseling to customers.
5. Company should try to attain the customer's complaint properly and solve them at satisfactory level.

## CONCLUSION

Relations are the essential of life. They are invisible threads which build a unique bound between individuals and organization. The satisfactory relations and performance of organization are strictly influenced by service made available to the customer. Satisfactory services increase the customer loyalty and tendency to invest again and again. But poor experience transfers the business to competitors. Satisfied customers are more positive towards the loyalty. Satisfied customer develops a strong relationship with the organization and this often leads to retain relationship and longevity.

"A small percentage of customers account for a large percentage of profits".

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## Green Marketing for Sustainable Development

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**Abstract:** Sustainable development is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come. Green marketing' encompasses activities designed to generate and facilitate human needs so that the satiation of these needs would leave minimal negative impact on the natural environment. With the growing awareness on global warming, pollution, and other environmental issues, companies and consumers are increasingly switching to green products and services, thereby, creating a platform for sustainable development. Resources are limited and human wants are unlimited. Hence, it is very important for the marketer to utilize the resources efficiently and, at the same time, achieve the organization's objective. Green Marketing is the best-suited solution to this issue. The consumers of today are more conscious about protecting the environment. They are enlightened consumers and are known as 'green consumers'. According to American Marketing Association (AMA), "Green or Environmental Marketing of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment". As per the recent statistics, consumers are shifting their brands from one product to another based on the eco-friendly mechanism of the product. Here, the author has attempted to unfold the challenges and its mitigating strategies towards sustainable development and has taken Green Marketing as the best weapon.

**Keyword:** Green Products, Sustainability, Green Consumers.

### INTRODUCTION

Green products don't work well and consumers won't pay a premium for them - is an old saying. But most of the companies today believe that investing in environmentally preferable products and technologies can be a source of innovation and competitive advantage. The success of companies practicing 'green marketing' has drawn the attention of corporate, policy-makers and, more importantly, consumers. Green marketing is the recent buzzword ruling the corporate world. In today's context of global warming, climate change and environmental pollution, these concepts have evolved as a savior for the mankind.

Green marketing is environment-friendly, sustainable and socially responsible marketing. According to American Marketing Association (AMA), "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment".

Many people have attempted to define the term "green marketing". It is sometimes used as a synonym to 'environmental marketing' and 'ecological marketing. Jacquelyn A Ottman, author of "Green Marketing: Opportunity for Innovation", defines green marketing as environmental considerations integrated in all aspects of marketing. Michael J Polonsky, author of the books on environment and green marketing, defines the term as "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment". Broadly, green marketing involves developing good quality products which can meet consumer needs and wants by focusing on the quality, performance, pricing and convenience in an environmental-friendly way. Practicing green marketing is not only good for mankind but also for the environment. It also gives competitive advantage to the marketers.

### **Evolution of the Concept**

Many people believe that green marketing has evolved from environmental marketing and ecological marketing and its scope is much wider when compared to the other two. It encompasses environment-friendly products and services and also guarantees value, pricing and customer satisfaction. The term 'Green Marketing' was, in fact, coined much earlier but gained popularity only during the late 1980s and early 1990s. The AMA, for the first time, organized a workshop on 'Ecological Marketing' in 1975. The results of the proceedings of the workshop were documented in one of the first books on green marketing titled 'Ecological Marketing'. According to Peattie (2001) there are three phases in the evolution of green marketing:

**Ecological Green Marketing:** This is the phase when companies were concerned about the environmental problems and tried to provide appropriate solutions to the same.

**Environmental Green Marketing:** In this phase, the focus was shifted to clean technology and this, in turn, helped in designing innovative products and taking care of waste disposal and pollution.

**Sustainable Green Marketing:** Green marketing is not for the short-term, but needs to be sustainable in the long-term; and for this, it should be able to command adequate customer support. This concept began to gain importance during the late 1990s.

Green marketing at three different levels

**Marketing:** Development of new technology, new process and new product and communicating the same to the customer. Innovation is an integral part of it. New process and technology to develop environment-friendly products and services.

**Holistic Nature:** All stakeholders need to be part of this initiative \_ marketer, supplier, 63 retailer, educator, community member, regulator, NGO - indeed all of them.



**Environmental Issues:** Need to be balanced with primary customer needs. There are many ways wherein along with making profits, marketers can take care of environmental issues.

### **Rules of Green Marketing**

There are many ways as to how a company can incorporate the concept of Green Marketing in its marketing activities. The first and foremost is the customer satisfaction in an environment-friendly way. In developed countries like the US, customer awareness of the environment is very high. That is the reason there are 'green consumers', and this has become prevalent in many other countries. Companies that want to incorporate Green Marketing need to work on the following areas:

Be aware of the environmental issues and the way it will impact people's lives. There is a need to create awareness among the customers to make Green Marketing work.

Make the customers feel that they will make a difference by being environment-friendly. Once the customers understand and start appreciating and valuing the companies practising Green Marketing, a lot will change for the better.

Going green implies working towards the greater cause of environmental protection and safeguarding the ecology and climate. Marketers have to believe that by practicing Green Marketing, they will be helping the environment and the mankind.

Make best possible efforts to ensure that the green products provide the same benefits to customers as the non-green alternatives and are affordably priced.

### **Reasons for Adoption of Green Marketing**

There are basically six reasons for which a marketer should go for the adoption of green marketing. They are:

- Opportunities or competitive advantage
- Corporate social responsibilities (CSR)
- Government pressure
- Competitive pressure
- Cost or profit issues
- Green Marketing Mix

### **Some of the Cases**

**Dell Computers:** Recently, Dell has launched the 'plant a tree for me' program in partnership with 'The Conservation Fund' and 'Carbonfund.org'. It has been a very good initiative to offset carbon emission and individuals and corporations can easily participate in it.

**General Motors (GM):** GM has launched a light-hearted advertisement on the TV that begins with 'Dear Oil'. The purpose behind this advertisement is to make people understand its efforts to move beyond oil as the source of energy and look to other options.

**CNG in Delhi:** In 2002, the Supreme Court of India passed a verdict to completely adopt Compressed Natural Gas (CNG) for all public transportation systems in the Indian capital to curb pollution. This step was appreciated by one and all as the level of pollution in Delhi was very high. However, initially there were objections raised by the transporters; but in due course, it was successfully implemented.

**McDonald's:** The Company has started using restaurant napkins and bags made of recycled paper.

**Hewlett-Packard (HP):** HP has promised to cut its global energy uses 20% by 2010. To accomplish this reduction, HP has announced plans to deliver energy-efficient products and services.

**Philips:** Philips has launched the 'super long life' bulb which saves up 20% energy.

**Walt Disney World (WDW):** It has an extensive waste management program and infrastructure in place.

### **Green Penetration**

We cannot definitely say how much the green products have penetrated the traditional market. For example, the market penetration of bio-fuels can grow up to over 21% by 2030. In auto and energy sectors, green product penetration has been on a mass scale. Green products are not only essential for the environment but also necessary for businesses to keep expanding. Green Gross Domestic Product (Green GDP) is an index of economic growth with all environmental consequences of that growth being factored in. Some environmental experts prefer indicators like waste per capita and CO<sub>2</sub> emissions per annum, which can be aggregated into a Sustainable Development Index.

As demand for organic food and sustainable products increases, some big companies are reinventing their products for capturing a share of the growing green market. For example, Expedia.com customers purchase carbon offset to lessen atmospheric damage caused by flying. Innovative green marketing promotions like Fairtrade coffee, recycled furniture, organic clothing, etc., have placed decisions in the buyers' or consumers' hands. The empowered consumers choose products which are environmentally preferable. Green consumerism has resulted in various consumer products to be certified with a "green label". Germany is increasingly using eco-labeling schemes. Given that several other major countries too have eco-certification schemes such as America's Green Seal and Japan's Eco-Mark; companies are now more likely to provide customers with requisite information about their product's environmental impact. Redefining the roles of products and business, working with governments, consumer groups and NGOs are very essential. Products definitely improve life quality but the destructive impacts on the environment must be minimized in order to move towards greater sustainability.

### **Benefits of Green Marketing**

The benefits of Green Marketing are simple but significant. These are:

1. It supports Sustainable Development
2. It protects the consumer, society and environment.
3. Generates more sales as customers support green products

## Designing Green Products

Nowadays, green design is used to develop more environmentally beneficial products and processes. The recycling of toxic wastes avoids the dissipation of materials into the environment. For example, rechargeable nickel-cadmium batteries can be recycled. The biggest challenge of green designing however is altering conventional design and manufacturing procedures to incorporate environmental considerations in a systematic and efficient manner. A green product could be made entirely of renewable materials and energy. Green products secure greater profits by reducing costs and achieving higher level of exports. Germany, France, and Australia have started numerous green projects by providing incentives for green product development. We can maximize economic and environmental performance by adopting green design strategies. For most products, 70% of the cost is determined in the design phase of its development. By adding and integrating environmental considerations into product design, a company increases efficiency and reduces waste of materials, energy and other allied costs.

### Actions Taken in India

**Solar Equipment:** Solar equipments are the need of the hour, as they assist in enhancing the quality of our environment by not generating noise or air pollution. They also conserve energy.

**Energy Conservation:** Compact Fluorescent Lamps (CFLs) provide an energy saving alternative to incandescent lamps, and they are also very effective in bringing down electricity expenses. Today, we find widespread use of CFLs. Similarly, introduction of hybrid and electric vehicles is a useful measure for reducing air pollution.

**Recycling:** Recycled plastics, recycled rubber, textiles, recyclable synthetic and waste products go into the making of many products such as eco shoes. Similarly, eco-friendly paints are being manufactured that have non-hazardous and natural raw materials as their ingredients. Such paints are the need of the hour to make our environment safer. Handmade paper is much in demand as it is made of non-wood resources. Handmade paper has dual benefits, as it helps conserve trees and also reduces pollution.

**Introduction of Compressed Natural Gas (CNG) and Unleaded Petrol in Delhi:** This improved the quality of petrol and has helped bring down pollution levels.

**Eco-friendly Furniture:** It is a good substitute for classical wooden furniture which we use in our households. Eco-friendly furniture draws more on waste products and other by-products, which do not pose any threat to our environment and depends less on wood.

It is often said that the green niche can be more appealing and lucrative. Customers who are environmentally aware keep on learning more about green products and do not mind paying more for such products. However, Edwin R. Stafford, Associate Professor of Marketing at Utah State University's College of Business, states that even after so much endeavors and publicity, only a small fraction of consumers base their buying decisions on a product's environmental quality. People, in general, although they are aware, do not take environmental factors into consideration while making a purchase. However, they definitely should, during these times of deteriorating environment.

Nonetheless, there is huge untapped potential for the marketing of green products which provide an immediate advantage to the consumers.

Several examples can be quoted even from India, where customers are using them because of their practical benefits. These include front-loading energy-efficient washing machines and other appliances, compact fluorescent lamps, solar water heaters, etc. But we cannot ignore the fact that the success of many green products is not because of their 'greenness', but due to the utility and 'the practical value they provide to the customers.

**Hybrid Cars** Going by available trends, we are likely to soon find hybrid cars on Indian roads in significant numbers. A hybrid vehicle is one that uses two or more distinct power sources to propel the vehicle. At the Auto Expo in New Delhi this year, many companies had displayed their hybrid vehicle offerings. In its present form, with a likely price premium of 60% over its equivalent model in India, it can safely assume that hybrids are going to be preferred mostly by private car-users and not by commercial vehicle operators. Pioneer to the segment in India is Honda rolling out its new model—the Honda Civic sedan in a hybrid petrol-electric version

**Organic Farming:** In the organic farming sector, Navdanya Farming has joined hands with Slow Food, an international good food movement, in spreading the movement for healthy, culturally-diverse, high quality, nutritious and ecologically-sustainable food. Navdanya means nine crops that represent India's collective source of food security. The main aim of the Navdanya biodiversity conservation program is to support local farmers, rescue and conserve crops and plants that are being pushed to extinction and make them available through direct marketing.

Today, around 20% of Darjeeling tea is under organic/biodynamic cultivation and the tea estates of Tata Tea, Bombay Burma Trading Company (BBTC), Parry Agro Assam Company Limited and Ambootia tea estate in Darjeeling are among those into it. Poabs Estate in Nelliampathy, Kerala, follows the same biodynamic system in coffee production. Small organic coffee producers operate in the Wayanad and Idukki districts of Kerala, the Koppa region of Karnataka, the Eastern Ghats of Andhra Pradesh and in the 'Seven Sisters' states in the North-East.

More often, they are supported by non-governmental organizations (NGOs), which generally form 'Self-Help Groups' or cooperatives to become micro-enterprise units. In India, there are about seven major tea estates and five coffee estates that adhere to the prescribed on-farm processes and are certified 'biodynamic', although some of the biodynamic preparations are used in varying degrees on organic farms across India. Organic farming in India gained momentum in early 1990's, as a reaction to the damage caused by conventional farming. Chemical inputs are substituted with organic compost and herbal antidotes to pests.

**Green Phones:** In the cellular phone market, Nokia, the world's largest cell phone-maker, is working on new energy-saving products to try to reduce its impact on the environment. Nokia, whose devices are used by around 900 million people, was the first phone company to include reminders in its devices encouraging people to unplug the charger once the battery was full, to save energy. The energy-saving alerts began with the Nokia 3110 (65% recycleable), Nokia 1200, Nokia 1208 and the Nokia 1650 handsets and this feature is being extended across the Nokia product range. The company announced a rollout of about 40 new phone models this year in India in the category of Green Phones

(Exhibit 4). Nokia is also planning to place Green Bins across the country, where customers can dispose of their old phones for recycling. Training and awareness programs 'Take back' will be organized soon at various priority centers across India.

**Green Buildings:** The real estate and construction industry in India is one of the rapidly growing sectors which contributes significantly to the nation's economy. This sector contributes to 10% of India's Gross Domestic Product (GDP). The Confederation of Indian Industry (CII) plays an active role in promoting sustainability in the Indian construction sector. The related concept of sustainable development and sustainability in this segment is green building. A green building uses less energy, water and natural resources, creates less waste and is healthier for the people living inside as compared to a standard building. The CII is the central pillar of the Indian Green Building Council (IGBC). The IGBC has licensed the Leadership in Energy and Environmental Design (LEED) Green Building Standard from the US Green Building Council and is currently responsible for certifying "LEED - New Construction" and "LEED - Core and Shell Buildings" in India. The approach to sustainability in buildings covers several key areas: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

**The Winning Mantra:** Companies need to believe first that Green Marketing 'can work' and make diligent efforts to make necessary product improvements, which deliver performance, are marketable and profitable. Companies should not only develop green products but must explain about the same more effectively to the consumers. They also need to integrate Green Marketing strategy into all the 4 P's (Product, Price, Profit and People) of the marketing mix. Consumers, suppliers of raw materials, distributors and retailers – all need to be made aware of Green Marketing and its benefits. Green marketing has to be considered as a visionary goal to be achieved through continuous improvements and efforts. It must be included in the company's overall corporate strategy.

## CONCLUSION

Green Marketing is still in its infancy. A lot of research has yet to be made to explore various opportunities and possibilities. Profit is important for the sustenance of any firm. Adoption of Green Marketing may not be profitable sometimes in the short-run, but definitely firms that are first movers, will have competitive edge over the others in the long-run. Today's consumers are very much aware of environmental issues like global warming, climate change, etc., and are getting ready to pay the premium for environment-friendly products and services. Companies too have a role to play in creating awareness regarding the necessity of using green products. The time has come for firms to explore every opportunity to enhance their products/services in terms of quality, performance, social responsibility and environment-friendliness. Social organizations and consumer forums too have to pressurize companies to adopt green practices in their operations. The government has to strengthen policy measures to facilitate the move towards environment friendly products and practices. There is already a significant degree of development in this direction in the US and many European countries. This movement has to spread geographically across the world, which would also necessitate customization to match with the requirements and affordability levels in different countries.

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## Web-Based Education Environment in Schools: A Case Study of Satara District

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**Abstract:** Web-based teaching and learning is rapidly emerging as a predominant paradigm in the delivery of education in society. Internet is the ocean of knowledge. This ocean can be made available to all students as early as possible in their life. So Information Technology & related tools can be introduced in school education by using World Wide Web (WWW) as education delivery medium. The WWW is used to provide information with great prospect and extend learning outside space and time boundaries. The remarkable developments in IT and networking have opened the doors of education. In the era of IT e-learning/Web based learning (WBL) can be efficiently used for different types of education. Most of the population of India is in the rural areas where literacy rate is poor due to the lack of educational facilities. This paper discusses the present scenario of education and explains that Web based education/learning has potential to meet the perceived need for flexible pace, place & face. A survey was conducted to find the effectiveness of web based education in selected high schools and it was found that if web based education will be implemented in schools along with traditional education it will have tremendous positive effect on teachers, students and school.

**Keywords:** World Wide Web, Information Technology, Web-based Education, Web Based Learning, Digital Versatile/Video Disc.

### INTRODUCTION

The Indian Constitution resolves to provide quality education to all and in an effort to fulfill the educational needs of the country specifically for the diverse societies and cultures of the country. The government has chalked out different educational categories: Elementary education, Secondary education, Higher education. Education gives us that powerful tool by which we can leave a life of worthiness it is only through improving the educational condition of a society that the multi-faceted progress of its people can be guaranteed. The scenario of the education in schools is changing. Now the schools are well equipped with all modern technically sound devices that facilitate the learning environment. The use of Information communication and technology tools like Liquid crystal displays (LCD) projectors, CD's, DVD's, smart boards and other modernized devices is an indication that India is also developing in an equal pace with the whole world. Apart from this, different international schools are also making their appearance in India. Impact of globalization can be seen in case of online technique of learning. This has become possible because of the Internet World Wide Web. This has given rise to implement web based education in schools.

## BASIC STRUCTURE OF EDUCATION

The basic structure of education in India follows creating a sturdy base for the students. The Indian Government is dedicated to provide the elementary education for everyone. There are basically four stages of schooling in India: primary, upper primary, secondary and higher secondary. In an average, the schooling in India goes through duration of 12 years, starting from Class 1 to Class 12<sup>th</sup> (10+2). Higher Education in India sometimes offer focus in particular field which includes technical schools like Indian Institute of Technology etc. also including related colleges and universities.

Table 1: Basic Structure of Education in India

Sr.	Stage	Age Group	Classes
1	Pre Primary School (Kindergarten)	4 to 5 years	Jr. Kg. to Sr. Kg
2	Primary Education	6 to 10 years	1 <sup>st</sup> Std. to 5 <sup>th</sup> Std.
3	Upper Primary Education	11 to 13 years	6 <sup>th</sup> Std. to 8 <sup>th</sup> Std.
4	Secondary Education	14 to 15 years	9 <sup>th</sup> Std. to 10 <sup>th</sup> Std.
5	Higher Secondary Education (Junior College)	16-17 years	11 <sup>th</sup> Std. to 12 <sup>th</sup> Std.

The main categories of schooling offered in India are:

Table 2: Categories of Schooling in India

Sr.	Categories of Schooling
1	The State Government Controlled Schools
2	The Central Board of Secondary Education (CBSE), New Delhi
3	The Council for Indian School Certificate Examinations (ICSE), New Delhi
4	National Open School
5	International Schools

## NEED FOR WEB BASED ENVIRONMENT IN SCHOOLS

In the presence of social diversity in India, it is difficult to change the social background of students, parents and their economical conditions. Therefore the only option left for us is to provide uniform or standardize teaching learning resources or methods. For high quality education throughout India there must be some nationwide network, which provides equal quality education to all students, including the student from the rural areas and villages. The solution to this is Web-Based Learning.

Table 3: Features of Web based Learning

Sr.	Features of WBL
1	Interactivity Between Users Students, Instructors, and Administrators
2	Speed of Delivery
3	Flexibility in Relation to Time and Location of Use



University Grants Commission's Country Wide Classroom popularity and the programmes of AVRC and EMRC have created a sensation amongst the student's community. A host of e-education sites continue to enter the market with focused offerings linking up student and teachers almost on a daily basis. The emerging new medium is acting as effective supplement to the traditional teaching learning programmes. Multimedia packages prepared for learners incorporate a range of technologies print, audiotapes, video tapes, interactive radio counseling, one way video/two way audio teleconferencing, television lessons, CD-ROMs and web-based content delivery and so forth Sharma (2001).

Table 4: Benefits of Web based Education

Sr.	Benefit of WBL
1	Classroom Independence
2	Platform Independence

Web based learning facilitates, supports, consolidates and even replaces traditional classroom activities. Advantages of Web based learning based on various parameters are as:

Table 5: Advantage of Web based Learning based on Various Parameters

Sr.	Parameter	Advantage
1	Hypermedia Environment	The Web Delivers all Types of Information: Text, Graphics and to a Extend Audio and Video. It Supports Browsing and Skimming.
2	Open	The Web is Based on Commonly Accepted Protocols and Technical Standards, so that any Material can be Assed Throughout the World on all Types of Computers.
3	Flexible	Using WBL, Students can Study on their own Without a Classroom or Teacher up Front.
4	Distributed	All Information in is not on a Single Computer but on the Web where there is a Central Server and Data can be Accessed form Any Where.
5	Dynamic	The Web IS Changing all the Time; Sites are so Easy to Customize, that they can be Changed as There is Need for.
6	Interactive	Constructive Learning Environments can be Created in Which Students Actively Collaborate with Tutors in Shaping their Own On-Line Environment.
7	Archival	Permanent Records of Web Course Material are Stored for Further use in Classes for Further Reference or Study.

The above table shows to that WBL is gaining pace and that it is the new trend for future learners of WEL.

The comparative study Traditional teaching and Web based teaching is as follows:

Table 6: Implications of New Technologies

'Traditional' Model of Teaching	Web Based Model of Teaching	Technology Implications
Classroom Lectures	Individual Exploration	Availability of Networked Computers with Guided Access to Online Information and Learning Materials.

Teacher as Deliverer of Information	Teacher as a Guide	Teaching via Programme Websites and Online Learning Environments; Access to External Experts over the Internet
Individual Work	Collaborative Learning	Access to Email and Online 'Conferencing' Tools
Face-to-face Teaching	Flexible and Distance Learning	Student Access to Networked Computers for Materials Delivery and Support
Consistent Content	Fast-changing Content	Availability of Networks, Web Space and Web Publishing Tools; Sharing of Computer-based Learning Materials with other Institutions

### Research Methodology

To find the effectiveness of implementation of WBL in school education a survey was conducted. Data was collected through questionnaires and group interviews for this research survey. The study was composed on three groups:

Table 7: Sample Groups for the Research Survey

Sr.	Criteria
1	School
2	Teacher
3	Students

So a research survey about the use of Web-based learning in education was conducted in selected schools of Satara district in Maharashtra state. There are about 664 schools in Satara District that are registered under Maharashtra State Board of Secondary and Higher Secondary Education Pune, Division: Kolhapur (Source: <http://mahresult.nic.in/ssc2011/Kolhapur.htm>, School Wise Result Statistics Report, 9th Nov 2011 11.30Am ). Out of 664 schools from Satara district 96 schools (Grantable & Non-Grantable together) were selected from both rural and urban areas for the survey. The schools in Mahabaleshwar area especially Panchgani are co-educational and residential schools. Different types of schools like residential schools, boarding schools, government schools, primary schools and secondary schools operate in the Satara District. Most of the schools have their own websites on which information of school is posted, online admission is possible, web mails are available, Student's and parent's have authorized user name and password for login for their communication etc.

### Sample Size

The sample of 96 school (Grantable and Non-grantable) were selected from the total universe from both rural and urban area. The students belonged to different Types.

Table 8: Distributions of Schools

Type of Schools	Level of Schooling	Area		Sub Total	Total
		Rural Area	Urban Area		
Grantable Schools	Primary Schools	10	11	21	45
	Secondary Schools	12	12	24	
Total Grantable Schools		22	23	45	
Non-Grantable Schools	Primary Schools	12	13	25	51
	Secondary Schools	13	13	26	
Total Non-Grantable Schools		25	26	51	96

### [I] Effect of WBL on Schools

To find the effect of web based education in schools, questionnaire was circulated to the principals of the schools. The questions in the questionnaire were regarding types of internet connections, likings about implementation of web based education in schools, barriers in implementation of WEL.

Table 9: Distribution of Schools based on Types of Internet Connection

Types of Internet Connections	Types of Schools								Total
	Grantable Schools				Non -Grantable Schools				
	Primary Schools		Secondary Schools		Primary Schools		Secondary Schools		
	Rural Area	Urban Area	Rural Area	Urban Area	Rural Area	Urban Area	Rural Area	Urban Area	
Dial up connection	3	4	3	4	3	4	3	3	27
Broadband Connection	2	3	3	4	2	3	4	5	26
Wireless connection	1	3	4	3	4	3	4	4	26
No Connection	4	1	2	1	3	3	2	1	17
Total	10	11	12	12	12	13	13	13	
Total	21		24		25		26		96

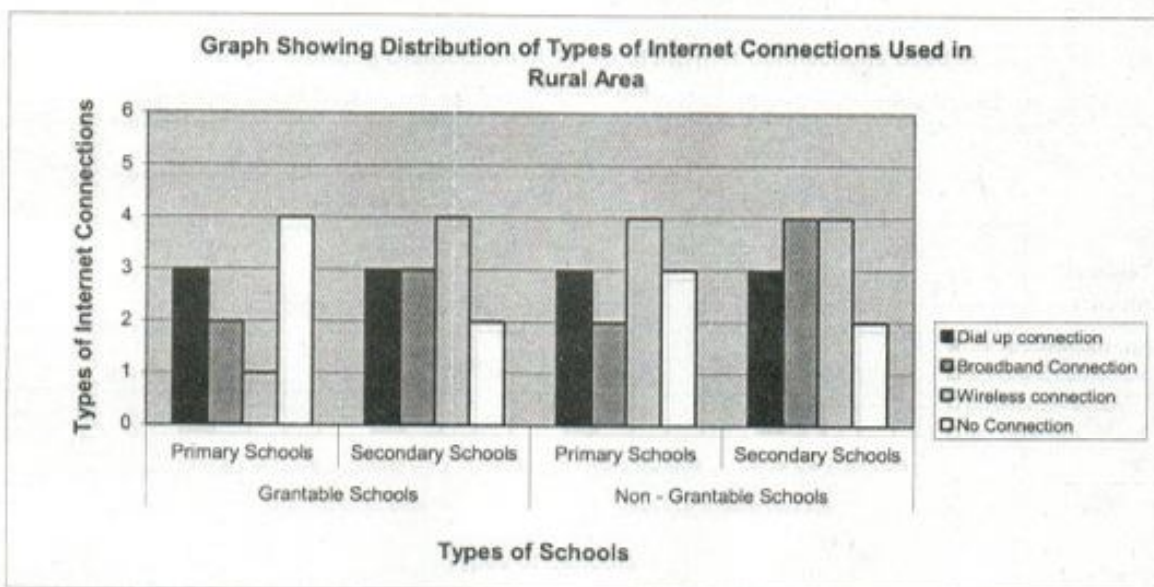
The above table furnishes the information of distribution of schools based on types of internet connection. From the table it was found that 28% of the respondents in Rural Area use Dial up connections, 28% of the respondents in Rural Area use Broadband connections, 13% of the respondents in Rural Area use wireless connections and 30% of the respondents in Rural Area have no connections. It was also found that 30% of the respondents in Urban Area use Dial up connections, 30% of the respondents in urban Area use Broadband connections, 26% of the respondents in Rural Area use wireless connections and 12% of the respondents in Rural Area have no connections.

Therefore we can say that there is quite awareness of Internet in the schools from urban area as compared to rural area.

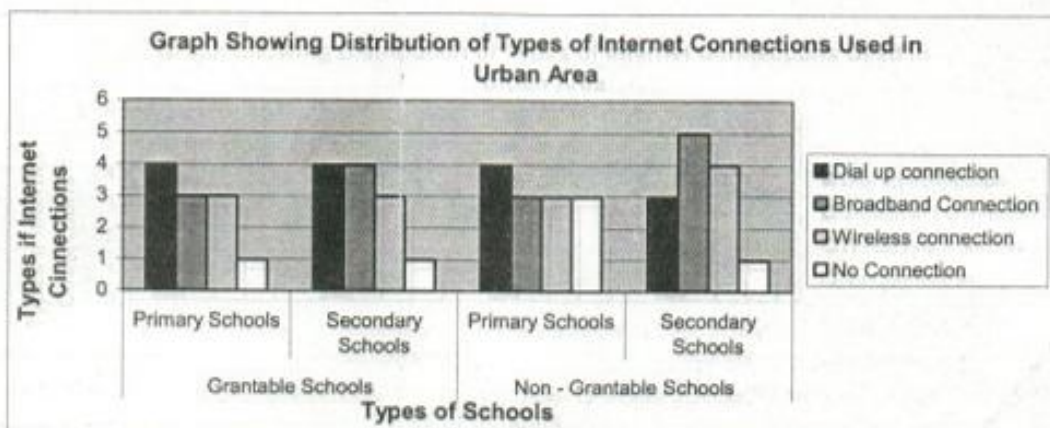
For Grantable schools it was found that 31% of the respondents use Dial up connections, 26% of the respondents use Broadband connections, 24% of the respondents use wireless connections and 17% of the respondents no connections. For Non-Grantable schools it was found that 25% of the respondents use dial up connections, 27% of the respondents use Broadband connections, 27% of the respondents use wireless connections and 33% of the respondents no connections.

Therefore we can say that there is quite awareness of Internet in the Non-Grantable schools where there is majority in wireless connections as compared to Grantable Schools.

**Graph 1 Distribution of Schools in Rural Area using Types of Internet Connections**



**Graph 2 Distribution of Schools in Urban Area using Types of Internet Connections**



Graph 3 Distribution of Internet Connections on basis of Grantable and Non-Grantable Schools

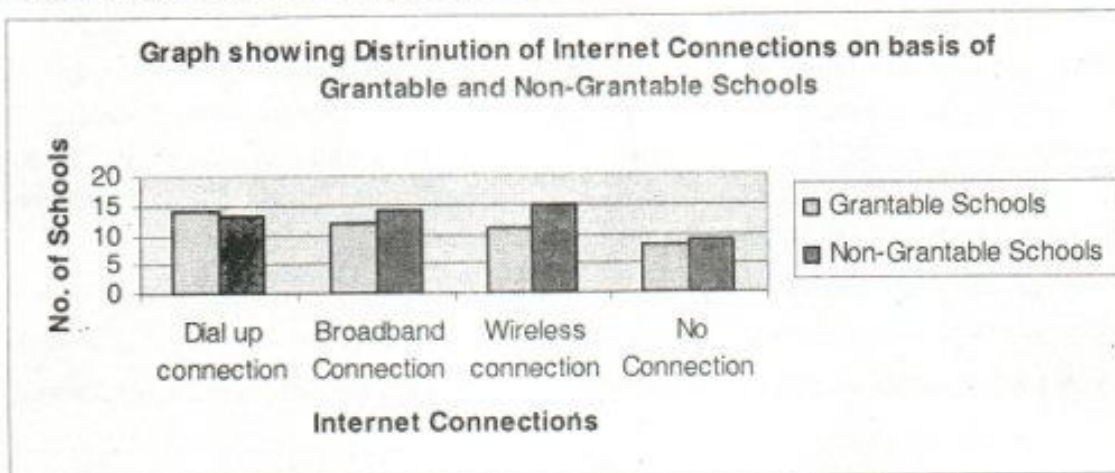


Table 10: Distribution of Schools based on Linking of Implementation of WBL in Schools

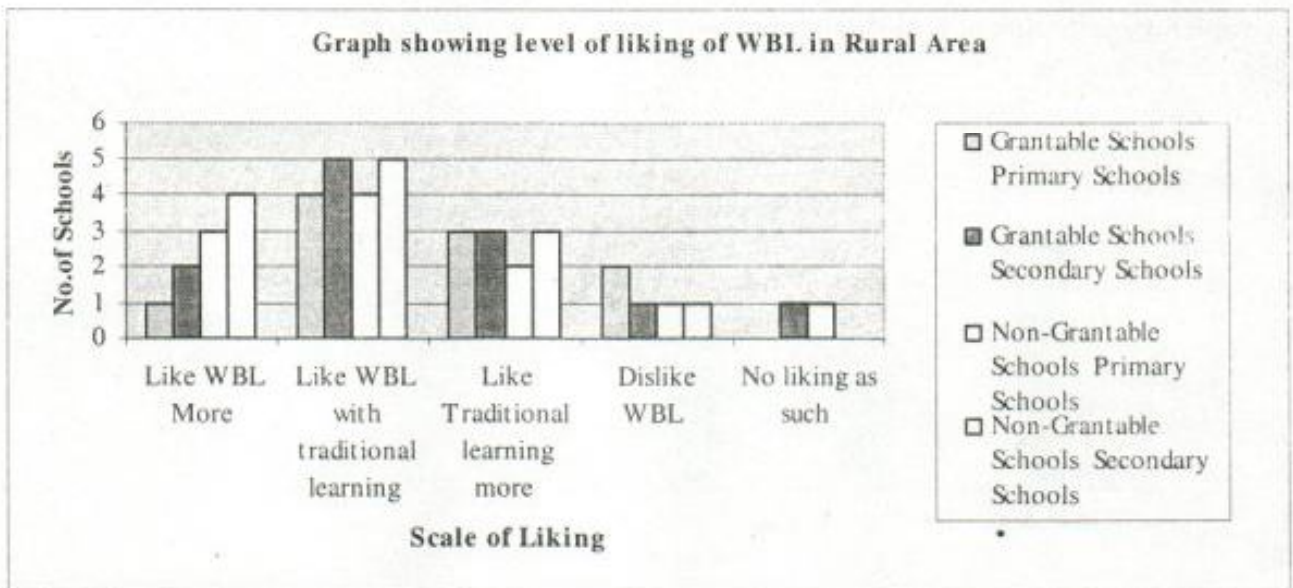
Sr	Types of Internet Connections	Types of Schools								Total
		Grantable Schools				Non - Grantable Schools				
		Primary Schools		Secondary Schools		Primary Schools		Secondary Schools		
		Rural Area	Urban Area	Rural Area	Urban Area	Rural Area	Urban Area	Rural Area	Urban Area	
1	Like WBL More	3	4	4	5	5	5	4	6	36
2	Like WBL with traditional learning	3	3	4	3	2	4	5	3	27
3	Like Traditional learning more	2	3	2	3	2	2	3	2	19
4	Dislike WBL	2	0	1	0	1	1	1	1	7
5	No liking as such	0	1	1	1	2	1	0	1	7
	Total	10	11	12	12	12	13	13	13	96
	Total	21		24		25		26		

The above table furnishes the information of Liking of WBL in schools in both rural and urban areas & also Grantable and Non-Grantable Schools. From the table it was found that 21% of the respondents in Rural Area like WBL more, 29% of the respondents in Rural Area like WBL with traditional learning, 23% of the respondents in Rural Area like Traditional learning more, 10% of the respondents in Rural Area totally dislike WBL, 4% of the respondents in Rural Area have no any liking of any

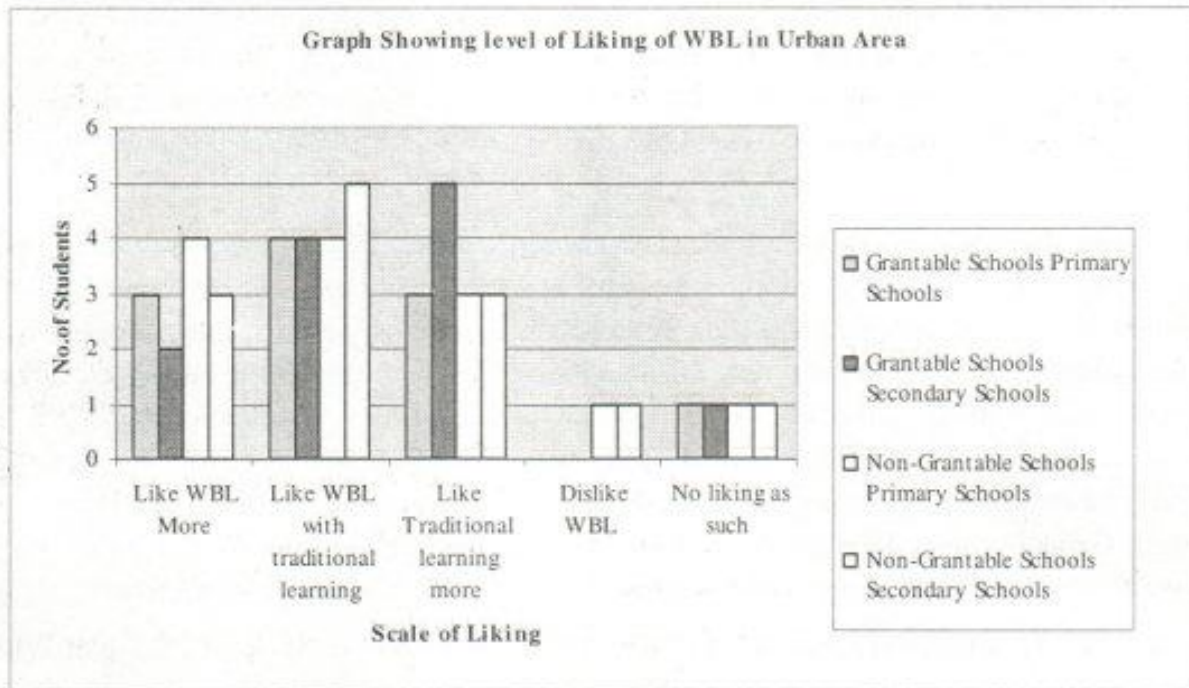
learning type. It was also found that 25% of the respondents in Urban Area like WBL more, 33% of the respondents in Urban Area like WBL with traditional learning, 27% of the respondents in Urban Area like Traditional learning more, 4% of the respondents in Urban Area totally dislike WBL, 10% of the respondents in Urban Area have no any liking of any learning type. Therefore we can say that there is great liking in implementation of WBL in the schools from urban area as compared to rural area, but majority of the respondents would like to prefer WBL with traditional learning in both rural and urban areas.

For Grantable Schools, 35% of the respondents like WBL more, 29% of the respondents like WBL with traditional learning, 22% of the respondents like Traditional learning more, 6% of the respondents totally dislike WBL, 6% of the respondents have no any liking of any learning type. For Non-Grantable Schools, 39% of the respondents Like WBL more, 27% of the respondents like WBL with traditional learning, 20% of the respondents Like Traditional learning more, 8% of the respondents totally dislike WBL, 8% of the respondents have no any liking of any learning type. Therefore we can say that there is great liking in implementation of WBL in Non Grantable schools as compared Grantable schools as majority of the respondents (39%) would like to prefer WBL and (29%)WBL – would like to prefer with traditional learning in both rural and urban areas.

**Graph 4 Distribution of Grantable and Non-Grantable Schools on Basis of Liking of WBL in Rural Area**



**Graph 5 Distribution of Grantable and Non-Grantable Schools on Basis of Liking of WBL in Urban Area**



**Graph 6 Distribution of Grantable and Non-Grantable Schools on Basis of Liking of WBL**

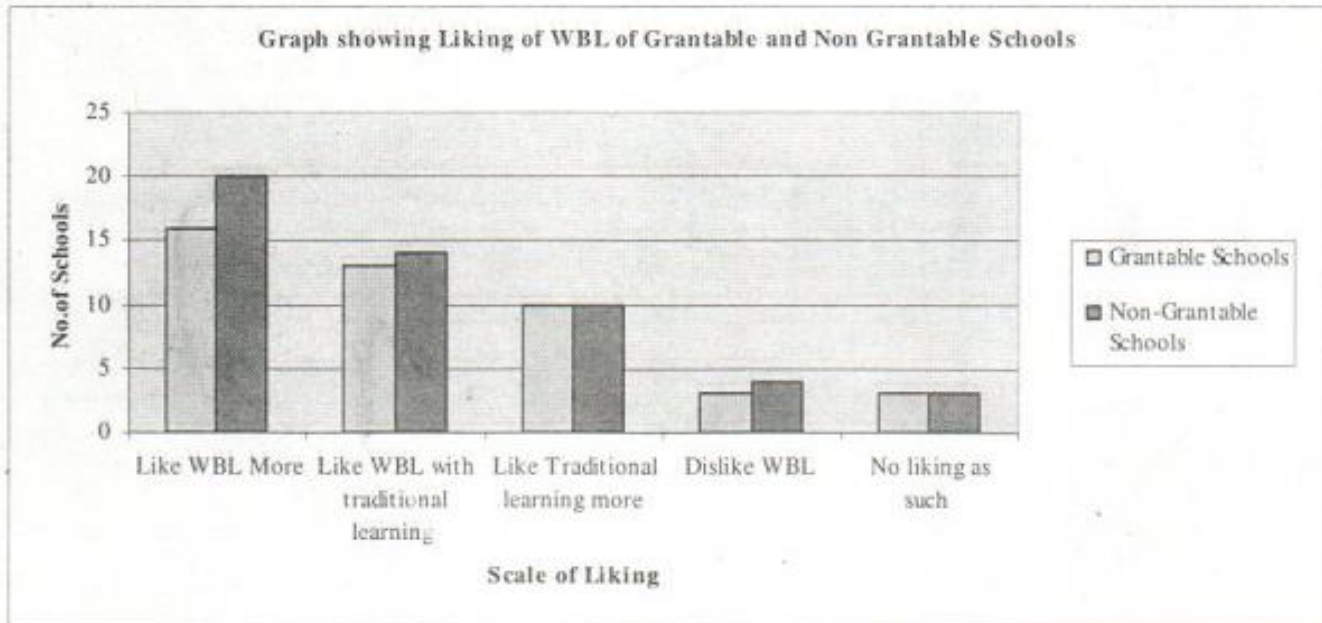
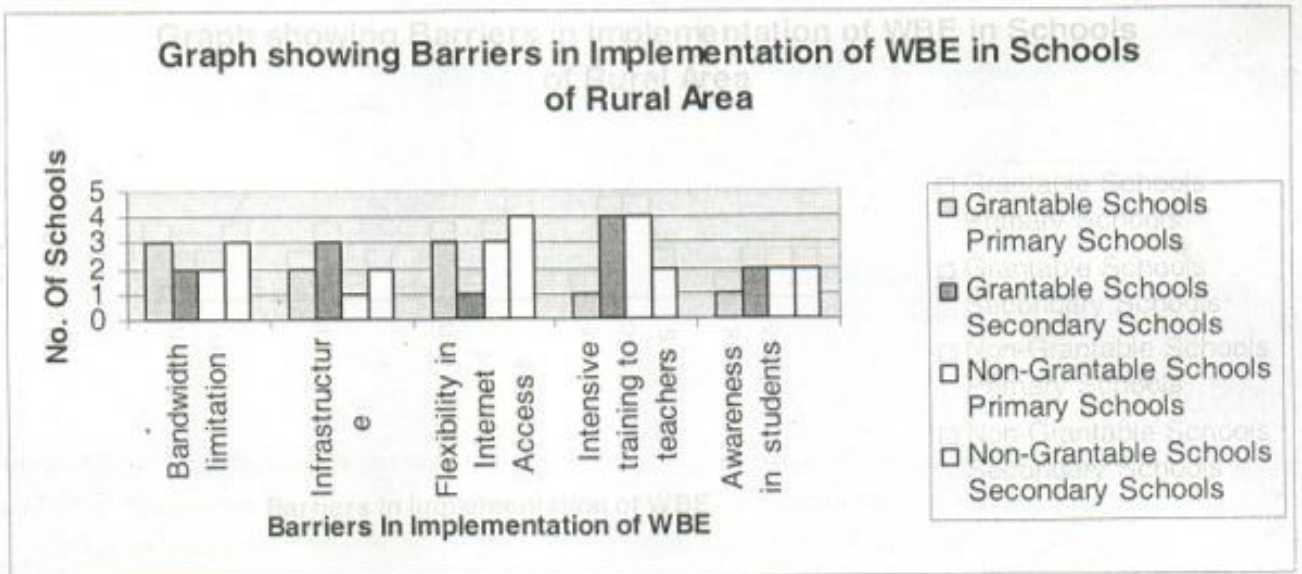


Table 11: Distribution of Schools based on Probable Barriers in Implementation of WBE

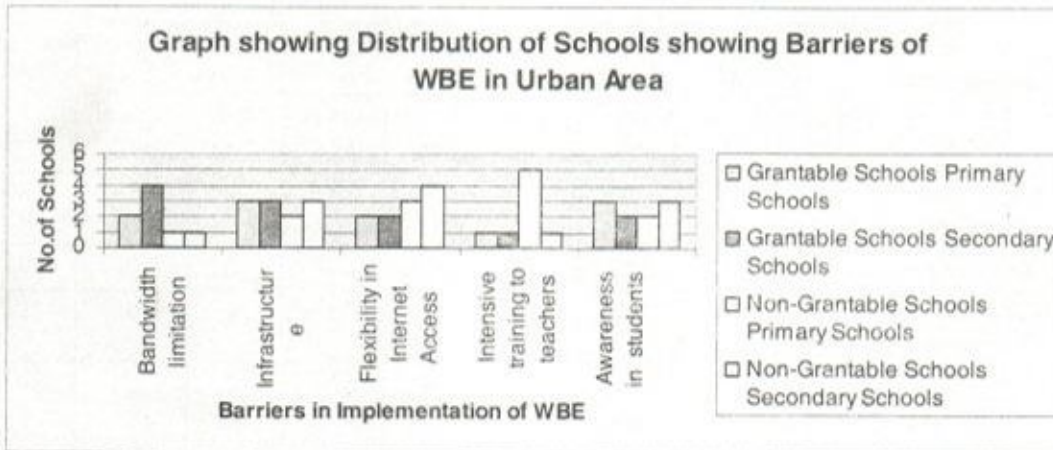
Sr.	Types of barriers in implementation of WBL in schools	Types of Schools								Total
		Grantable Schools				Non-Grantable Schools				
		Primary Schools		Secondary Schools		Primary Schools		Secondary Schools		
		Rural Area	Urban Area	Rural Area	Urban Area	Rural Area	Urban Area	Rural Area	Urban Area	
1	Bandwidth limitation	3	2	2	4	2	1	3	1	18
2	Infrastructure	2	3	3	3	1	2	2	3	19
3	Flexibility in Internet Access	3	2	1	2	3	3	4	4	22
4	Intensive training to teachers	1	1	4	1	4	5	2	2	20
5	Awareness in students	1	3	2	2	2	2	2	3	17
	Total	10	11	12	12	12	13	13	13	96
	Total	21		24		25		26		

Graph 7 Distribution of Grantable and Non-Grantable Schools on Barriers in Implementation of WBE in Rural Area

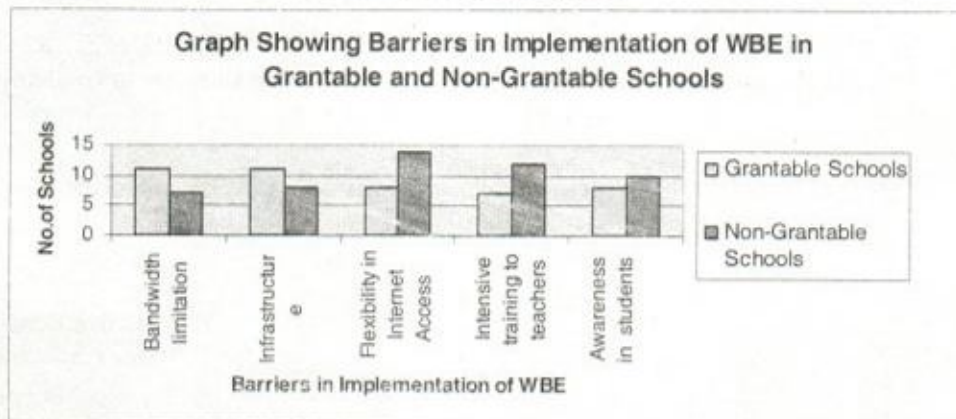




**Graph 8 Distribution of Grantable and Non-Grantable Schools on Barriers in Implementation of WBE in Urban Area**



**Graph 9 Distribution of Grantable and Non-Grantable Schools on Barriers in Implementation of WBE in Rural Area**



## FINDINGS

1. It has been found during the survey that if WBE is implemented along with the traditional teaching then it will make studies interesting for the students as new tools will be included in the studies. The school, teachers and students all will get positive advantage on implementation of WBE.
2. During the survey it was found that 38% of schools use dialup connection, 31% of schools use broadband connection, 6% of schools has wireless connection installed in their campus and there are nearly 25 % of schools without internet connection.
3. It was also found that 59% students studying in these schools are aware of web based education, 39% of students have at least heard about WBE and 3% of students are not at all aware of this new concept of WBE.

4. For the survey, 34% of teachers from rural area and 66% of teachers from urban area were randomly selected. It was found that urban area teachers were more aware of WBE; they were more competent and also implemented various types of discussion forums along with their traditional teaching.

## CONCLUSION

During this survey, researcher found a positive effect on implementation of web based education. In Schools, preliminary education can be easily delivered using web based education. Teaching using animations, power point presentations, CD's/DVD's or Audio Visuals have more impact on students mind compared to traditional teaching and they can understand the concepts more easily. In traditional teaching students can sometimes forget the concept of theory lecture delivered to them, but in WBE they can easily remember things or can easily get accessed to that particular lecture. Introduction of WBE at school level our children and youngsters will grow as "Computer kids". WBE is Platform independent, convenient in access, cost saving, easily updated contents and with emerging technologies it can be made more effective. The barriers in slow implementation of computing and communication technology in schools, can be overcome and high quality education throughout can be delivered.

## SUGGESTIONS

1. In the presence of social diversity in India, it is difficult to change the social background of students, parents and their economical conditions. Therefore the only option left for us is to provide uniform or standardize teaching learning resources or methods. For high quality education throughout India there must be some nationwide network, which provides equal quality education to all students, including the student from the rural areas and villages. The solution to this is Web-Based Learning.
2. To make WBE more successful, educators and content designers need to develop efficient ways to formulate teaching materials for WBI, while also considering the needs of students coming from diverse and dissimilar backgrounds.

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## Emerging Growth of Indian Outbound Travel Market

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**Abstract:** India is one of the fastest-growing outbound travel markets in the world. With more than 1.1 billion inhabitants and GDP increasing by more than 8% every year, the country offers enormous potential for future growth in outbound travel. Recognizing the importance of this market, Researcher decided to undertake a survey on the Indian outbound travel market with particular reference to the position and image of Satara District as a source of customers in the Indian outbound travel market. The aim of the study was to add significantly to the current body of knowledge on the Indian market, providing valuable support and intelligence for future marketing activities of outbound travelling in Satara District. The study is a combination of secondary research, interviews with the travel trade and interviews with consumers. It looked at Indians' travel behaviour, demographic factors affecting the trends and propensity to travel. This paper provides comprehensive analysis and recommendations for the future marketing and promotional strategies for promoting foreign destinations in India. The paper is divided into three parts, Indian Outbound Travel Market, Inter-relationship between demographic factors of customers and trends in outbound travel, and Conclusions.

**Keywords:** Indian Outbound Travel Market, Demographic Segmentation, International Tourist destination, Satara Region's Travel Statistics, Travel Service Provider.

### INTRODUCTION

Outbound tourism refers to residents to travel outside their home country. In perspective of Indian tourism market, Outbound Travel Market is nothing but the Indian residents traveling outside the India, either for business purpose or for leisure. India is one of the fastest growing outbound travel markets in the world. With more than 1.1 billion inhabitants and GDP increasing by more than 8% every year, the country offers enormous potential for future growth in outbound travel.

The impressive developments in Indian tourism in recent years have brought the country to the forefront of world tourism as one of the most promising markets to watch out for both for inbound and outbound tourism. Arrivals to India (5.9 million in 2011) have shown a doubledigit growth for the fifth straight year in 2011 as a result of the government's continuous efforts to attract tourists from international markets. However, outbound tourism has already overtaken inbound statistics during the same period and is expected to expand further in the coming years.

The growth of Indian outbound tourism is largely attributed to the country's steady economic progress that has provided for increased employment and higher income. Other factors that have contributed to its development are the liberalization of government policies regarding civil aviation for easier air

access to foreign countries as well as the issuance of travel documents, improved bilateral visa arrangements and the relaxation of foreign exchange regulations. Aggressive marketing campaigns by an increasing number of countries have also helped to increase awareness regarding outbound destinations. Also to find out basis of segmentation for target customers of outbound travel and design the tour packages accordingly is one of the crucial work for the travel service providers.

### Research Problem

Statistics shows that India is becoming the fastest growing outbound travel markets in the world. Statistics of Indian National Going Abroad

Sr.	Year	No of Outbound Indians	% Change Over the Previous Year
1	2000	4415513	7.3
2	2001	4564477	3.4
3	2002	4940244	8.2
4	2003	5350896	8.3
5	2004	6212809	16.1
6	2005	7184501	15.6
7	2006	8339614	16.1

Source: (Ministry of Tourism, Govt. of India year 2007)

From past, Satara is considered as Pensioners' city, most of the population is above the age of 55. Hence, while studying the statistics of outbound travel market of Satara it is necessary to find out relationship between demographic factors of customers and trends of outbound travel market, if exist. Also to find out most popular international tourist destination preferred by customers so that recommendations can be given to travel service providers in Satara for the future marketing and promotional strategies for promoting destinations in Satara.

### Review of Literature

(L. Moutinho et.al., 2000) studies International Tourism Management with UK as home country: There are several trends like globalization of the travel and tourism market, changing environment of the international tourism industry, implication of shifting tourist demand, changing pattern of competition, integrated networks, hospitality etc should be taken into account by hospitality corporations when they are formulating and implementing their global strategies. Niche marketing, micro marketing are some of the emerging concept in tourism industry. The trend is towards customization. Globalization of tourism industry is the main focus of the study.

(Gee et.al., 1994) studies relationship between the providers of tourism and travel services and the marketing environment in which they operate. The environment is unique in which travel providers working. For most other businesses, the boundary between the company and the "World Outside" is distinct. For manufacturers, there is one world within factory gates and another beyond them. For most service providers there is distinct place at which the service encounter takes place, and can be

managed. Changes in the world outside will affect such companies, together with their customers and their competitors; but usually with a little planning and some juggling of the marketing mix when necessary. In tourism, the service encounter with a customer can occur within a journey which stretches from one side of the globe to the other and back again. The whole planet is the "factory floor" of the tourism industry. For tourism and travel providers there is no place to hide from turbulent and unpredictable world in which we live.

(Juan Eugenio-Martin et.al., 2011) analyses the role of income in the decision of participating in the tourism demand within 1 year. The tourists who are participating can travel to domestic destinations only, abroad destinations only or to both of them. Such a substitution pattern is modelled using a bivariate profit model. The analysis is carried out to the regional level using a survey conducted in 15 European (EU-15) countries. In addition to the traditional socioeconomic variables, the analysis adds new variables to the outbound tourism demand modelling, such as the attributes of the place of residence. The results show that tourism demand is income elastic. However, there are marked differences in the income elasticities of the probabilities of travelling domestically or abroad. Above certain income threshold, the substitution pattern between destinations takes part. The probability of travelling domestically only remains constant, whereas the probability of travelling abroad keeps growing. Additionally, the article proves that income elasticities vary significantly and nonlinearly with income.

(Market Vision Research & Consulting Services 2007) discussed the opportunities available globally for tourism, in which some major discussions are,

Indian outbound travel market has grown from 3.7 million in 1997 to 9.8 million international Departures in 2007; the pace of growth has accelerated since 2004 at an average annual growth rate of over 16%. International tourism expenditure by Indians has grown from US\$ 1.3 billion in 1997 to US\$ 8.2 billion in 2007.

The UNWTO predicts that India will account for 50 million outbound tourists by 2020; the 'Kuoni Travel Report India 2007' predicts that total outbound spending will cross the US\$ 28 billion mark in 2020.

With over 28 million passport holders in the country who are potential travellers, the source market for outbound travel is wide and complex because of its size and variety. According to the primary research among the travel trade, the main source regions are west and north (including central India) together accounting for about 65% of all outbound travel, followed by south (25%) and east (10%).

According to Pacific Asia Travel Association (PATA), 40% of all outbound trips by Indians are for business purposes, while leisure, visiting friends and relatives (VFR) and other reasons each account for 20% of outbound trips from India.

Europe commands an estimated market share of about 20% of all Indian outbound departures. The Indian travel trade estimates that the market for Europe is growing at a steady pace of 5-7% per annum and that the pace of growth for Europe can be accelerated with greater focus by European tourism boards on the Indian market.

40% of travel to Europe is estimated to be for holiday purposes. Five European destinations account for a majority of the share of travel from India to Europe – United Kingdom, France, Italy, Germany and Switzerland.

According to the travel trade, international leisure travellers belong to the 25-65 years age group, a larger proportion being males (65%) than females (35%). They are well educated and belong to the upper socio-economic strata of society. Majority are married (75%) and have children living in the household. Two-thirds of leisure travellers tend to holiday abroad with family.

In the short-term, a large proportion of potential visitors to Europe are likely to be first-time visitors, although the majority will have travelled abroad at least once. Families and couples are likely to be the key customer segments travelling to Europe on holiday. Some travel from groups of friends and affinity group travellers can also be anticipated.

The key travel motivation of potential first-time visitors to Europe is a culture/sightseeing holiday. The key travel motivations among repeat visitors are culture/sightseeing holiday, touring/driving holiday, snow/ski holiday and holiday in the mountains. Majority of the potential visitors are likely to undertake a multi-country vacation in Europe.

In terms of travel destination selection, the top five factors that influence destination selection for Indians are safety and security; variety of things to see and do; overall image of holiday destination; good tourist facilities; and infrastructure; and the ease of obtaining visas. The travel trade confirms that travellers will often change their mind about a travel destination if obtaining visas is a complex or time-consuming process.

(Indian Tour operators' promotion council 2005) discussed the opportunities available globally for tourism, in which some major discussions are,

International Trips made by India Nationals in 2004 was 6.2 million, which was 16% more than 2003. In 2003 it was 5.3 million. 4.90 million was the statistics in the year 2002. It reached the statistics of 7.2 million in 2005.

Tourists outflow from India to Hong Kong has been growing at a healthy pace despite the hullabaloo surrounding the SARS outbreak. India recovered to record a positive growth with the arrivals of 19,667 in September 2003, an 8.1% increase over the same period in September 2002.

About 500,000 Indians are issued visa to Britain every year.

Malaysia expects about three lakhs of Indian tourists every year, ahead of Australia, Taiwan and the U.S. Excited by the increased number of Indian tourists arrivals, Malaysia has been holding roadshows to further beefing up its tourism sector.

Over 1 lakh Indians visited Sri Lanka in 2004.

### **Need to Analyze Outbound Travel Market in India**

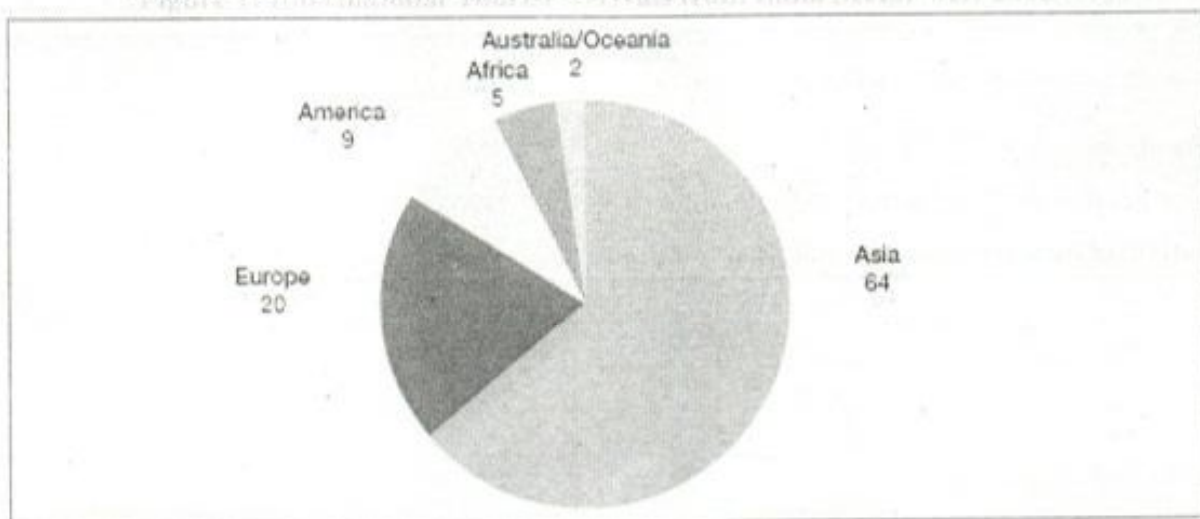
In 2007, the number of outbound trips by Indian nationals increased by 17% over 2006 reaching an estimated 9.8 million. Below figure shows, the average annual growth rate in terms of number of international trips made by Indians during the period 2000-2007 was 11%.

In 2004, Indian outbound tourism surpassed the six million mark with a total of 6.2 million Indians travelling abroad, an increase of 16% compared to 2003. Indian outbound tourism continued its double-digit growth from 2004 to 2007 (+16%), reaching a total of 9.8 million departures.

## OUTBOUND TRAVEL MARKETS

Although no firm figures are available for regionwise travel from India in 2007, the Indian Market Scan report published by Netherlands Board of Tourism and Conventions in 2006 indicates that the main destination regions for Indian outbound are Asia and Europe, accounting for 64% and 20% of the total outbound travel from India respectively. In Asia, South-east Asia has the largest share of the international tourist arrivals from India. The Americas, mainly North America, account for a market share of 9% while Africa and Australia/Oceania together receive 7% of international tourist arrivals from the country.

**Figure 1: International Tourist Arrivals from India Sector wise 2006 (%)**



Source: Netherlands Board of tourism and Conventions, Indian Market Scan 2006, July 2006.

Above two figures shows steady growth in outbound travel market and most preferred destination by Indian tourists. The main aim of the paper is to find whether same statistics can be seen at semi-urban areas of India i.e., for example Satara (Maharashtra). Hence, it is necessary to study the outbound travel market of semi-urban areas along with National level.

## CHARACTERISTICS OF CUSTOMERS

Customer choose any particular holiday package based on his/her need also family need & requirements, budget, availability of time, availability of resources such as travel service providers. All these factors are mutually related to core demographic factors such as age, occupation, marital status, gender because all these affects the travelling plans of the customers.



### Research Methodology

The aim of the Research is to add significantly to the current body of knowledge on the Indian market. Research will also give basic reasons behind the changing mindset of travelers from Satara toward Outbound traveling i.e. their overall changing needs and interests toward outbound traveling.

Present study is descriptive in nature purports following objectives:

1. To study the Indian Outbound Market.
2. To study the demographic factors of customers and trends in outbound travel.
3. To study the most preferred outbound destination by customers and month in which departures are on peak.

Study includes samples outbound travelers from Satara district visiting foreign countries.

For this study population is infinite so research selected samples from those group of customers who are already enjoyed the outbound tourism, and Hence Random Sampling method is used for sample selection. Number of samples are 141. Samples are of different age group also different educational qualification and occupation, gender, marital status i.e. various demographic factors.

### Data Analysis

Classification of Customer on the basis of marital status and Gender

Table 1: Classification of Customer on the Basis of Marital Status and Gender (all the Figures are in Frequency)

Sr	Destinations	No. of Customer	No. of Consumer	Marital Status		Gender	
				Married	Single	M	F
1	New Zealand	1	1	1	-	1	-
2	Thailand Couple	1	2	2	-	1	1
3	Swiss Couple	1	2	-	2	1	1
4	Dubai Budgeted Tour	2	4	4	-	2	2
5	Italy Swiss Paris London	2	4	4	-	2	2
6	Grand Europe	1	2	2	-	1	1
7	Europe With Scotland	1	4	4	-	2	2
8	Europe (13 Days)	3	10	8	2	5	5
9	Europe (20 Days)	1	4	4	-	2	2
10	Europe With Scandinavia	1	2	2	-	2	-
11	Egypt	1	2	2	-	1	1
12	Scandinavia Russia	1	4	4	-	2	2
13	England Scotland Ireland Wales	1	6	4	2	2	4
14	Singapore Thailand Malaysia Hongkong	2	5	4	1	3	2
15	Singapore Thailand Malaysia	2	7	4	3	3	4

16	Singapore Thailand Malaysia Hongkong	4	6	6	-	2	4
17	Singapore Malaysia	2	5	4	1	3	2
18	Hongkong Macau Shenzen	11	13	10	3	10	3
19	Japan China Hongkong	1	2	2	-	1	1
20	China Hongkong	1	3	2	1	1	2
21	Dubai Ladies Only	3	3	3	-	-	3
22	Singapore Malaysia Ladies Only	1	1	1	-	-	1
23	Thailand Ladies Only	1	1	1	-	-	1
24	Switzerland Ladies Only	1	1	1	-	-	1
25	Shri Lanka Maldives	3	6	5	1	2	4
26	Thailand Bachelors	2	2	1	1	2	-
27	Singapore Thailand Malaysia Hongkong Budgeted Tour	2	2	2	-	1	1
28	Singapore Thailand Malaysia Budgeted Tour	34	66	60	6	30	36
29	Thailand Budgeted Tour	30	38	34	4	20	18
30	America	6	10	8	2	5	5
31	America With Cruise	1	2	2	-	1	1
32	South Africa Kenia With Victoria Falls	6	10	10	-	4	6
33	Dubai Extended Weekend	1	1	1	-	1	-
34	Thailand Extended Weekend	2	2	2	-	2	-
35	Europe Senior Citizen	1	2	2	-	1	1
36	Mauritius Senior Citizen	3	6	6	-	3	3
37	Singapore Thailand Malaysia Star Cruise	4	9	8	1	4	5
	Total	141	250	220	30	123	127

(Source: Primary Data)

There are near about 100 products of the outbound travel service provider. Table shows last four years statistics of Outbound travel from Satara district. There are 37 products out of huge product line are preferred by the customers from Satara district. From table, it is clearly seen that most preferred outbound tourist sectors are South East Asia, Europe and America. Also there are 12 products which especially belonging to South East Asia such as Cost saver tours, Ladies special tours, Bachelors tours, small weekend tours, and Budgeted tours. There are 141 customers who booked the tour either for individual or for whole family i.e. number of customers are 141 and number of consumers are 250.

Below table 2 and table 3 gives clear classification of consumers on the basis of marital status and gender.

### Classification of Consumers based on Marital Status

Table 2: Classification of Consumers Based on Marital Status

Sr.	Particulars	Number of Consumers	Frequency %
1	Married	220	88
2	Un-married	30	12
	Total	250	100

(Source: Primary Data)

From Table 1 and Table 2, it is clearly seen that maximum number of consumers going abroad from Satara are married i.e., 88% of the consumers are married and very few i.e. 12% are unmarried. Hence, while determining the relationship between demographic factor and flow of trends in outbound tourism from Satara, this demographic factor should be considered.

### Classification of Consumers based on Gender

Table 3: Classification of Consumers Based on Gender

Sr.	Particulars	Number of Consumers	Frequency %
1	Male	123	49.2
2	Female	127	50.8
	Total	250	100

(Source: Primary Data)

Table 3 shows that, ratio of the male to female consumers going abroad is nearly about 50-50%. Hence, we can say that, while establishing relationship between demographic factors and trends in outbound tourism from Satara, Gender factor need not to be considered as this factor is neutral.

### Classification of Customer on the basis of Age

Table 4: Classification of Customer on the Basis of Age

Sr.	Destination	Age Group (Frequency)					
		0-20	20-30	30-40	40-50	50-60	Above 60
1	New Zealand	-	-	-	-	-	1
2	Thailand Couple	-	-	2	-	-	-
3	Swiss Couple	-	2	-	-	-	-
4	Dubai Budgeted Tour	1	-	-	1	1	1
5	Italy Swiss Paris London	-	-	-	-	3	1
6	Grand Europe	-	-	-	-	2	-
7	Europe With Scotland	-	-	-	-	3	1
8	Europe (13 Days)	2	-	1	-	3	4
9	Europe (20 Days)	-	-	-	1	1	2

10	Europe With Scandinavia	-	-	-	-	-	2
11	Egypt	-	-	-	-	-	2
12	Scandinavia Russia	-	-	-	2	2	-
13	England Scotland Ireland Wales	2	-	-	2	-	2
14	Singapore Thailand Malaysia Hongkong	1	-	2	-	1	1
15	Singapore Thailand Malaysia	-	-	1	1	3	2
16	Singapore Thailand Malaysia Hongkong	-	-	-	-	3	3
17	Singapore Malaysia	1	-	3	1	-	-
18	Hongkong Macau Shenzen	3	-	1	1	1	7
19	Japan China Hongkong	-	-	-	1	1	-
20	China Hongkong	1	-	2	-	-	-
21	Dubai Ladies Only	-	-	1	-	-	2
22	Singapore Malaysia Ladies Only	-	-	-	-	-	1
23	Thailand Ladies Only	-	-	-	1	-	-
24	Switzerland Ladies Only	-	-	-	-	1	-
25	Shrilanka Maldives	-	1	-	-	2	3
26	Thailand Bachlors	-	1	1	-	-	-
27	Singapore Thailand Malaysia Hongkong Budgeted Tour	-	-	-	-	1	1
28	Singapore Thailand Malaysia Budgeted Tour	4	4	5	12	13	28
29	Thailand Budgeted Tour	4	-	2	2	20	10
30	America	2	-	2	1	3	2
31	America With Cruise	-	-	-	-	1	1
32	South Africa Kenia With Victoria Falls	-	-	-	2	4	4
33	Dubai Extended Weekend	-	-	1	-	-	-
34	Thailand Extended Weekend	-	-	-	1	-	1
35	Europe Senior Citizen	-	-	-	-	2	-
36	Mauritius Senior Citizen	-	-	-	1	2	3
37	Singapore Thailand Malaysia Star Cruize	1	-	-	2	4	2
	Total	22	8	24	32	77	87
	%	12		22		66	

(Source: Primary Data)

Above table shows that 66% customers belonging to age group 50 and above have travelled various foreign destinations. This statistics shows that, maximum customers prefer international holidays, when they are near to age of retirement. 12% customers are of age group 0 to 30 which are considered to be teenagers and youngsters' i.e., they are financially dependents on their parents, and nearly about 22% customers are of middle age i.e., 30 to 50 in which every individual opt for stability in his/her life.

### Classification of Customer on the basis of Occupation

Table 5: Classification of Customer on the Basis of Occupation

Sr.	Destination	Occupation (Frequency)					
		Business	Doctor	Service	Retired	House-wife	Student
1	New Zealand	1	-	-	-	-	-
2	Thailand Couple	-	1	-	-	1	-
3	Swiss Couple	-	-	-	-	1	1
4	Dubai Budgeted Tour	1	1	-	1	-	1
5	Italy Swiss Paris London	-	-	-	2	2	-
6	Grand Europe	-	-	2	-	-	-
7	Europe With Scotland	2	-	-	-	2	-
8	Best of Europe	2	-	1	2	3	2
9	Images of Europe	-	-	1	1	2	-
10	Europe With Scandinavia	-	-	-	2	-	-
11	Mysteries of Egypt	-	2	-	-	-	-
12	Scandinavia Russia	4	-	-	-	-	-
13	England Scotland Ireland Wales	1	-	1	1	1	2
14	Singapore Thailand Malaysia Hongkong	-	-	1	1	2	1
15	Singapore Thailand Malaysia	1	2	-	1	-	3
16	Singapore Thailand Malaysia Hongkong	1	1	1	2	1	-
17	Singapore Malaysia	1	2	-	-	1	1
18	Hongkong Macau Shenzen	6	1	1	1	1	3
19	Japan China Hongkong	2	-	-	-	-	-
20	China Hongkong	1	-	-	-	1	1
21	Dubai Ladies Only	-	1	-	1	1	-
22	Singapore Malaysia Ladies Only	1	-	-	-	-	-
23	Thailand Ladies Only	1	-	-	-	-	-
24	Switzerland Ladies Only	1	-	-	-	-	-
25	Shrilanka Maldives	2	-	2	-	2	-
26	Thailand Bachelors	-	-	2	-	-	-
27	Singapore Thailand Malaysia Hongkong Budgeted Tour	-	-	-	1	1	-
28	Singapore Thailand Malaysia Budgeted Tour	15	6	15	16	10	4
29	Thailand Budgeted Tour	10	4	4	-	15	5

30	America	8	-	-	-	-	2
31	America With Cruise	-	-	-	1	1	-
32	South Africa Kenia With Victoria Falls	-	4	1	4	1	-
33	Dubai Extended Weekend	1	-	-	-	-	-
34	Thailand Extended Weekend	-	-	1	1	-	-
35	Europe Senior Citizen	-	-	1	-	1	-
36	Mauritius Senior Citizen	-	-	-	3	3	-
37	Singapore Thailand Malaysia Star Cruise	1	-	-	3	4	1
	Total	63	25	34	44	57	27
	%		48.8		17.6		33.6

(Source: Primary Data)

The above table shows the classification of customers on the basis of their occupation. From the table it is clearly seen that near about 48.8% customers are financially independent having profession as business, doctor or doing service. Near about 17.6% customers are retired personnel and remaining 33.6% customers are financially dependent on their parents, guardians or spouse. Hence if we consider overall percentage then 17.6% is quite big figure which is covered by retired personnel. While establishing relationship between demographic factors and trends in outbound tourism, we can say that, occupation is one of the major factors which have impact on trend. From the Table 5, it is clearly seen that, retired people have covered 17% of the total percentage. Hence, we can say that, senior citizens have major impact on outbound tourism from Satara.

### Month wise Departures of Customers

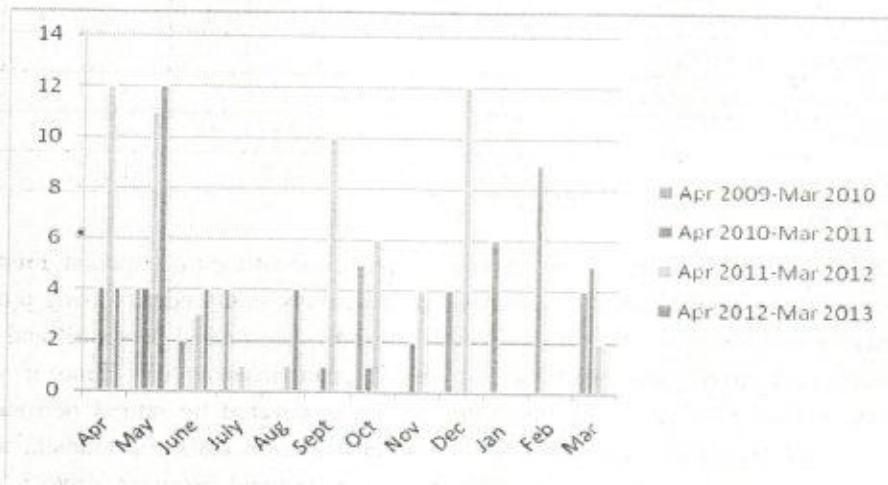
Table 6: Month Wise Departures of Customers

Sr.	Month	Apr 09 -Mar 10	Apr 10 -Mar 11	Apr 11 -Mar 12	Apr 12 -Mar 13
1	April	0	4	12	4
2	May	4	4	11	12
4	June	2	0	3	4
5	July	4	0	1	0
6	August	0	0	1	4
7	September	0	1	10	0
8	October	5	1	6	0
9	November	0	2	4	0
10	December	4	0	12	0
11	January	6	0	0	0
12	February	9	0	0	0
13	March	4	5	2	0
	Total	38	17	62	24

(Source: Primary Data)

Above table shows month wise International departures for consecutive three financial years. It is clearly seen that, Maximum Number of departures are in month of March, April, May, October, December when schools, colleges, offices have Summer, Diwali and Christmas vacations. Graph shown below, gives overall view of the international departures of various months.

**Graph 1 Month Wise Departures of Customers**



## FINDINGS

1. Outbound travel statistics does not depends on gender difference as percentage of male and female customers are near to 50-50%. Also 88% customers are married. (Table no. 1, 2, 3)
2. Sixty six percent customers belonging to age group 50 and above have travelled various foreign destinations. This statistics shows that, maximum customers prefer international holidays when they are near to age of retirement. 12% customers are of age group 0 to 30 which are considered to be teenagers and youngsters' i.e., they are financially dependents on their parents, and nearly about 22 % customers are of middle age i.e., 30 to 50 in which every individual opt for stability in his/her life. (Table 4)
3. Near about 48.8% customers enjoying International holidays are financially independent having profession as business, doctor or doing service. Near about 17.6% customers are retired personnel and remaining 33.6% customers are financially dependent on their parents, guardians or spouse. (Table 5)
4. Maximum Number of departures are in month of March, April, May, October, December when schools, colleges, offices have Summer, Diwali and Christmas vacations. (Table 6, Graph 6)

## CONCLUSION

From in-depth Data analysis of outbound travel market, it is concluded that the outbound travel market trend which flows at over all Country level matches with that of small cities i.e., semi-urban areas of country.

From available statistics of the Indian Outbound Market, Most preferred International tourist sectors are South East Asia, Europe and America. Same trend is also shown in case of Satara outbound travel market.

Though Satara is considered as Pensioners' city, the majority age group who has been served International tour packages are either retired or at the stage of where they are about to get financial stability. It is clearly seen the behavior of the customer towards purchasing particular International holiday. Maximum number of customers choose International holiday when they get settled in their life i.e. financial stability. Hence, Outbound Travel Service Providers can consider such areas, cities and that particular age group as target customers for developing and promoting new outbound tour packages suitable to them as they share major chunks of the market potential.

Also Maximum Number of departures are in month of March, April, May, October, December when Summer, Diwali and Christmas vacations are there.

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## The Impact of 4C's on Employee Satisfaction

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**Abstract:** HRM is the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization. Human Resource Management is the organizational function that deals with issues related to people such as compensation, recruitment and selection, performance appraisal, organization development, safety, benefits, employee motivation, communication, administration, training and development, etc.

Employee satisfaction is a measure of how happy workers are with their job and working environment. Keeping morale high among workers can be of tremendous benefit to any company, as happy workers will be more likely to produce more product and stay loyal to the company. There are many factors to improving or maintaining high employee satisfaction.

This study is helpful to the organization to identify the area of dissatisfaction of job. The major scope of the study is to identify the employee's level of satisfaction upon the job. This study is helpful to that organization for conducting further research. This research study is very wide. Employee satisfaction consider in various areas as facilities provide to employees, working environment, areas of strength and opportunities.

**Keywords:** Employee Satisfaction, Commitment, Culture, Communications, Compensation.

### INTRODUCTION

People join various organizations in most part of their lives. The organizations are strong social tools to arrange the relationships between the individuals. An organization is a constitution where two or more people come together to achieve a goal (or goals) whose behaviors are managed according to specified rules (Apple white, 1965). When an individual wants to achieve his goals, which require more power than he has, he must cooperate with others. It may be understood that the organizations satisfy the individual's needs with interactive and collaborative working. It is sure that there may be many factors affecting the organizational effectiveness and one of them is the employee satisfaction. Effective organizations should have a culture that encourages the employee satisfaction (Bhatti and Qureshi, 2007).



**Fig. 1: Important Factor of Organization**

In addition, emotional state of the employees may also affect their satisfaction. This forces the managers to create and sustain the desired working environments in the organizations. On the other hand, as stated by Organ and Ryan (1995), the employee satisfaction is one of the basics of organizational citizenship behavior (Ozdevecioglu, 2003). That is, the well-satisfied employees will work more willingly and this contributes to the effectiveness of their organizations. There is no limit for the employees to reach the full satisfaction and it may vary from employee to employee. Sometimes they need to change their behaviors in order to execute their duties more effectively to gain greater job satisfaction (Miller, 2006). Having good relationships with the colleagues, high salary, good working conditions, training and education opportunities, career developments or any other benefits may be related with the increasing of employee satisfaction. When investigating the employee satisfaction, it should be known that; an employee may be more satisfied by a satisfying item, whereas the other employee may be less satisfied with the same item. Because of this, analyzing the employee satisfaction from a large perspective will be better. That means; the sum of all satisfying factors composes that employee's satisfaction level. As a general definition, the employee satisfaction may be described as how pleased an employee is with his or her position of employment (Moyes, Shao, and Newsome, 2008). To investigate what the employees are satisfied by and measuring the employee satisfaction in the workplace is critical to the success and increases the profitability of the organization for having competitive advantage (Kelley, 2005). Therefore, researching the employee satisfaction in terms of different factors and on various areas (such as manufacturing industry, service industry or etc.) will enrich the literature and contribute to organizations. The main factors which organization wants to achieve the employees satisfaction, customer satisfaction, productivity and profitability. These factors inter-related to each other for organization growth.

#### **Objectives of the Study**

1. To study the meaning of Employee satisfaction in light of organization and Employee.
2. To know how to measure the level of satisfaction of employees in company.
3. To study the 4C's of employee Satisfaction & factors influencing Employee Satisfaction.

## MEANING OF EMPLOYEE SATISFACTION

What does the term 'Satisfaction' imply to an employee? It implies nothing else than the feeling of either being contended or non-contended on using a product or service.

### Definition of Employee Satisfaction

"Employee satisfaction is the individual employee's general attitude towards the job. It is also an employee's cognitive and affective evaluation of his or her job and describe a situation when employees are satisfied".

"Employee satisfaction is defined as the positive emotion that results from an individual's assessment of experiences connected to the work and work environment".

The main aim of the paper is to monitor organizational climate and employee satisfaction in order to increase awareness of the importance of the organizational climate and its connection to human resource development practices in company. 'Organizational climate' is defined as the perception of the members of the organization (employees at different organizational levels) about different important elements of the work environment, such as events, procedures, rules and relations. Thus, organizational climate is an overall picture of the organizational environment of employees, while employee satisfaction is an individual reaction to the work environment. No company can achieve its goals if it does not have the right set of employees. The employees in a company largely determine the success of the company. This is the reason why companies put in extensive efforts in choosing candidates for their company. Most of the times, skills and knowledge of the employee is considered to gauge his performance in the company. One factor that is being overlooked by most of the company owners is employee satisfaction. Various surveys and researches have shown that employee satisfaction plays a pivotal role in performance of the candidate. If any company wants to draw out the best from its employees then it should provide best means to satisfy the need and requirements of its employees. Before one can know various ways to facilitate employee satisfaction, it is essential to understand what does it actually mean.

### In Light of the Organization

1. It enhances employee retention and the company does not need to train employees repeatedly.
2. The overall productivity of the company is increased and it assists in achieving the goals of the company.
3. When employees are satisfied with their job they deal with customers in a better manner and thus customer satisfaction is achieved to great extent.
4. It helps the company in getting better services and products from its employees.
5. Money spent on training new candidates and recruitment of new candidates can be saved extensively.

### In Light of the Employee

1. When the employee gets satisfactory services from the company initially he tends to believe that same treatment would be offered in long run.
2. Employee would start taking interest in his work instead of worrying about other issues.
3. The employee starts feeling a sense of responsibility towards the organization.
4. He deals with customers in a better way and builds strong relations with them.
5. They would try to produce better results in order to get appreciation from the company. There is a strong relationship between customer satisfaction and employee satisfaction. Satisfied employees are more likely to stay with company and become committed and have more likely to be motivated to provide high level of customer service, by doing so will also further enhance the employee's satisfaction through feeling of achievement. Enhanced employee satisfaction leads to be improved employee retention; and employee stability ensures the successful implementation of continuous improvement and customer satisfaction. Therefore, employee satisfaction is a prerequisite for customer satisfaction



**Fig. 2: Employee Satisfaction**

Employee satisfaction is also a prerequisite for staff retention. Organizations with higher staff retention rates are naturally better at retaining knowledge, which can lead to better performance and profit for the business. Improved employee satisfaction reduces the cost of staff turnover, builds brand loyalty with staff and positions the company as an employer of choice that attracts talented people to the organization.

### **Employee Satisfaction Measurement**

Employee satisfaction has been defined as a function of perceived performance and expectations. It is a persons' feeling of pleasure or disappointment resulting from comparing a products' outcome to his/her expectations.

If the performance (Company Services) falls short of expectations, the employee is dissatisfied and if it matches the expectations, the employee is satisfied. A high satisfaction implies more purchase/use of the product or service. The process is however, more complicated then it appears. It is more important for any organization to offer high satisfaction, as it reflects high loyalty and it will not lead to switching over once a better offer comes in.

### **Tools for Tracking and Measuring Employee's Satisfaction**

1. **Complaint and Suggestion System:** Employee can freely deliver complaints and suggestions through facilities like suggestion box, personal meetings with seniors etc.
2. **Lost Employee Analysis:** The exit interviews are conducted or employee loss rate is computed.
3. **Employee Satisfaction Survey:** Periodic surveys by use of questionnaire or feedback from employee to find out employee satisfaction.

### **THE 4C'S OF EMPLOYEE SATISFACTION**

The 4c's of employee satisfaction are, Commitment, Culture, Communications, Compensation. Together, these factors represent the key drivers of employee satisfaction. These factors can be explained in detail one by one as follows.

**Commitment:** Commitment The concept of commitment includes commitment from employees toward their organization (employee commitment) and the perceived commitment from the organization toward employees (organizational commitment).

"Employee commitment" measures how likely employees are to continue working for your organization, to go above and beyond their call of duty to help your organization succeed and to feel motivated to work to the best of their ability. Committed employees are more likely to believe that working at your organization is more than just a job and they get a strong sense of personal accomplishment at their jobs. Even employees who are dissatisfied with their jobs can feel a sense of commitment to the organization where they work. However, true engagement requires both satisfaction and commitment from employees.

"Organizational commitment", on the other hand, measures employees' perceived commitment from the organization. Organizational commitment toward employees comes from how likely they are to argue that they have sufficient training and resources to perform their jobs to the best of their ability and to have opportunities to learn new skills at their jobs.

**Culture:** Organizational culture is the set of common understandings and unspoken rules of how employees interact with each other. An organization's culture – whether positive or negative – is usually created and fostered by its senior management. Through their articulation of the organization's

vision, goals, and core values, senior management establish organizational values, which represent preferences for certain behaviors or certain outcomes, and organizational norms, which are culturally acceptable ways of pursuing goals and behaviors. Senior leaders set the tone by their own behavior that then cascades down to the rest of the organization. For example, if senior leaders support employee recognition and regularly acknowledge employees' contributions, other managers and employees will follow suit and feel comfortable acknowledging employees' good work. On the other hand, if senior management are not seen as supporting accountability and fairness throughout the organization, employees are likely to believe that favoritism is rampant and that promotions are based on personal connections rather than merit. Therefore, it is critically important that senior leaders model the desired behavior they want from their employees since such behavior usually defines the culture of the organization, whether senior leaders realize it or not. For the purposes of organizational development and performance, it is important to cultivate an organizational culture that is aligned with the organization's business goals. For example, an organization that values innovation will encourage employees to experiment and treat mistakes as learning opportunities rather than penalizing employees for making mistakes.

**Communication:** Communication effective corporate communication is often the foundation upon which an organization's operations, processes and HR initiatives run smoothly. Ideally, organizational communication should be a two-way vertical and horizontal process through which information, ideas and solutions to daily challenges flow between employees and management, and across departments and teams. However, employees often feel that their attitudes and opinions are not considered when management makes changes to policies and procedures, which are often announced arbitrarily or discovered only through the "grapevine."

At the most basic level, employees need to know what is expected of them at work. At a higher level, employees need to know where the organization is headed and how their day-to-day activities contribute to achieving the organization's overall goals. Meanwhile, organizations are increasingly relying on cross-functional teams to serve client needs, and this requires better cross-departmental or cross-functional communication to keep everyone on the team informed.

For example, sales associates need to know what new products and services are available to serve customers' specific needs. This requires effective communication between Sales and Product Development or Marketing. In addition, bottom-up communication from employees to managers and senior management are equally important. Management needs to create a work environment where employees are not afraid to speak up when they have questions or suggestions. Management must also take employee opinions and suggestions into account when making decisions and avoid the impression that employee thoughts "just don't count."

**Compensation:** Many studies have shown that, although offering fair and competitive compensation is critical to retaining employees; it is a "hygiene factor"<sup>1</sup> in maintaining employee satisfaction. This means that paying employees much more than the prevailing market may not necessarily result in higher satisfaction with pay or increased job satisfaction.

Nonetheless, employees' satisfaction with pay can be increased by educating employees about how they are paid and by maintaining transparent compensation policy and practices, including having clear and achievable pay for performance policies. Having a good understanding of how they are paid

helps employees know what they can do to improve their compensation and improves employees' perceived fairness and equity of their pay. Overall, a sense of fairness and equity in pay has a greater impact on employees' satisfaction with pay than does the absolute amount of pay alone.

In general, employees' satisfaction with their compensation tends to be lower than their satisfaction with other aspects of their work. For this reason, management should not be overly alarmed if their compensation satisfaction score is low. However, if it is significantly below the industry or U.S. norms, then action needs to be taken to address the reasons that are contributing to employees' low satisfaction with their compensation. As a leader or a HR professional at your organization, you can help improve employees' perceptions of fair and equitable pay by conducting regular salary benchmarking studies to ensure that your pay policies are competitive. It is also important for organizations to emphasize the value of its total compensation, including benefits, employee rewards and the work environment as well as salaries and bonuses, since this will help raise employees' awareness of what they receive for working at your organization in addition to their pay.

### CATEGORIES OF SATISFACTION

**Personal:** Enjoyment, sense of well being, happy, likes work, proud of organization, etc.

**Interpersonal:** Respect, fairness, honesty, healthy communications, cooperation, friendly.

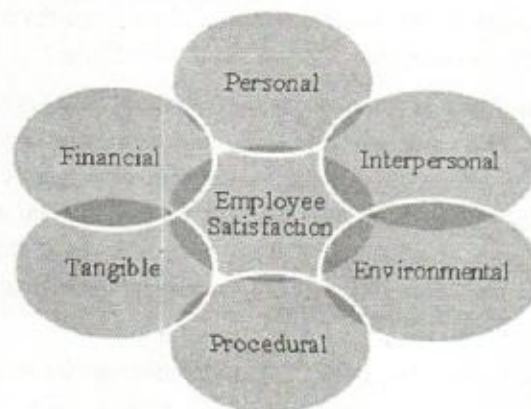
**Environmental:** Safe, clean, accessible, pleasing to senses.

**Procedural:** Meaningful processes, efficiency and effectiveness, hassle free.

**Tangible:** Accurate and timely information, things, adequate resources, food, water, etc.

**Financial:** Salary and benefits.

A Variety of methods can be used to measure satisfaction levels among Employees. The above areas represent broad categories of employee Satisfaction.



**Fig. 3: Categories of Satisfaction**

### What are Factors That Effect/Influence to Employee Satisfaction?

Factors of employee satisfaction can followed by following elements.

- Compensation and benefit
- Promotions, training
- Work tasks
- Coworkers
- Supervisors
- Interesting work.
- Appreciation of work.
- Job security.
- Good wages.
- Promotion/growth.
- Good working conditions.
- Personal loyalty.
- Tactful discipline.
- Sympathetic help with problems.
- Flexi-timing.
- Company paid vacations.
- Accident and health insurance benefits.
- Retired benefits.
- Asset building loans.
- Company transport etc.

## **IMPORTANCE OF THE STUDY**

This study is helpful to the organization to identify the area of dissatisfaction of job. The major scope of the study is to identify the employee's level of satisfaction upon the job. This study is helpful to that organization for conducting further research. This research study is very wide. Employee satisfaction consider in various areas as facilities provide to employees, working environment, areas of strength and opportunities. Employee Satisfaction is most important in any organization be it small or large. Thinking that employee satisfaction is important only for the employee then it is not right. It is equally important for the organization for which the employee is working as well. The following points will show the importance of employee satisfaction easily.

### **Importance of Employee Satisfaction for Organization**

- Increase productivity
- Increase customer satisfaction
- Reduce turnover, recruiting, and training costs.
- More energetic employees.
- Improve teamwork.
- Higher quality products and/or services due to more competent, energized employees.



### Importance of Employee Satisfaction for Employee

Employee will believe that the organization will be satisfying in the long run.

They will care about the quality of their work.

Their works are more productive.

**Why it is so important?** It is more common for companies to think in terms of customer satisfaction. It is not as common for organizations to see the linkage between employee satisfaction and customer satisfaction. Research and experience establish a strong correlation between employee satisfaction and profitability.

1. Employees have direct and indirect impact on levels of service and quality.
2. Service and quality affect customer satisfaction and retention.
3. Customer satisfaction and retention significantly influence profitability.

### CONCLUSION

The success of an organization depends not only on the planning and controlling of the firm's financial resources, but also on the maintenance of a satisfied work force. A satisfied work force is the foundation on which the structure of a successful organization is build upon. Research shows that satisfied, motivated employees will create higher customer satisfaction and in turn positively influence organizational performance. Convenient work location, working with young people, opportunities for promotion and career prospects, fair salary, good policies, job security and dynamic working environment are few attributes which are critically important from the view point of most of the employees. Organizational climate is an overall picture of the organizational environment of employees, while employee satisfaction is an individual reaction to the work environment. Management and other authorities should treat the employees of the company in humanistic and sensitive way for building the effectiveness and efficiency in the organization. Companies should be given career opportunities to employees which is better for company and employees, because company will get better employee and reduce the recruitment process and employee complete his education or career. Company should motivate the employees for developing the future career training and development program which should be frequently conducted for upgrading the knowledge of employees. Job rotation program would be given to the employees in order to have excellence in job performance.

Thus, it concludes that it is necessary to find out the needs and satisfaction level of employees working in organization. Then and then only company make a profit.

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## Performance of Result Tool in Wired Local Area Network

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**Abstract:** Performance evaluation of computer system and network is an essential task. It helps to determine how sound it is performing and whether any improvements are needed to enhance the performance. We design and develop the result system tool for result sheet and mark sheet preparation with various reports required at University level and College level. In this paper we evaluate the performance of the developed result tool in Local Area Network. Performance of the tool is measured with the help of windows.

**Keywords:** Network Performance, LAN, Windows Performance Tool, Result Tool, Network Bandwidth.

### INTRODUCTION

LAN has become an essential tool for any organisation to exchange information and to share expensive resources. It is a data communication network used in a limited geographical area. It is also called a packet communication network that provides high bandwidth over inexpensive communication media. A LAN is composed of three basic hardware elements: a transmission medium, a mechanism for control of transmission over the medium, and an interface to the network for the host computer or other devices.

A result tool is developed for college and university exams. The result tool is initially tested on a standalone machine. We found that the scalability of the developed tool is considerable. Resources like processor, memory, and hard disk are not used up to optimum level. But as data size is going to increase, resources will be used optimally.

Here we have measured the performance of the developed result tool in a wired LAN environment.

A variety of simulation tools like Ns-2, Netsim, OPENET are available for the purpose of modulation and simulation, but the choice of simulator depends upon the features available and requirements of the application [11]. As the developed result tool is tested in a LAN environment, we are using windows performance to check the computer performance and network settings. It will help to check various components of the computer system, store output as (text, HTML, excel) data, and display information in different ways. It is capable to monitor servers, workstations, and network. Windows XP's built-in performance tool is the cost-effective solution to measure network performance.

### System Developed

System development life cycle (SDLC) is a process used during the development of any system. SDLC consists of four main phases: analysis, design, implement and testing. During analysis phase, context diagram and data flow diagrams are used to produce the process model of a system. In system development life cycle (SDLC), a system model can be developed by using Data Flow Diagram (DFD). DFD is graphical diagrams for specifying, constructing and visualizing the system. DFD is used in defining the requirements in a graphical view [3],[2],[13].

DFD's are easily understands by technical and nontechnical users. It shows the flow of data from external entities into the system, showed how the data moved from one process to another, as well as its logical storage.

In data flow diagram, the highest-level view of the system is known as context diagram [8], [12]. It is common practice for a designer to draw the context level DFD first, which shows the interaction between the system and external agents which act as data sources and data sinks. Components of a System Context Diagram are shown in Figure 1. Context Diagram represents entities such as,

- University
- Clerk
- Principal
- Student
- Exam Department
- Teacher

These entities interact with result system. Entities on the left hand side supply information to the system and after processing that information result is send to specific entities mentioned on the right hand side. It represents highest level view of the system. [9], [2].

The context diagram shows the entire result system as a single process, and gives no clues as to its internal organization. The purpose of a result system context diagram is to focus attention on external factors and events that should be considered in developing a complete set of system requirements and constraints.

System context diagram can be further expanded to detailed designing of result tool.

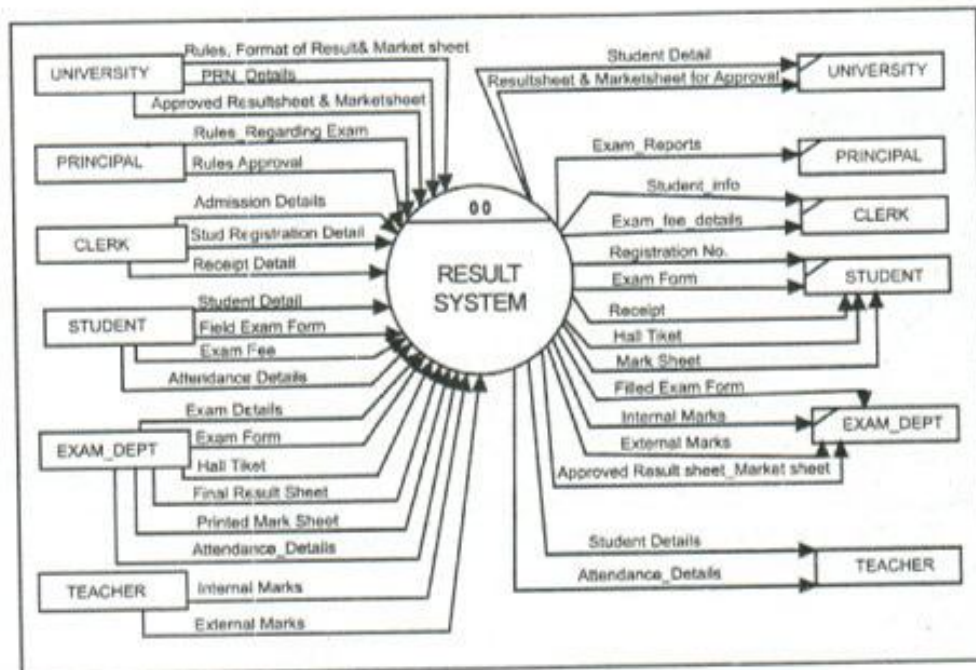


Fig.1: Context Level Diagram

### Performance Evaluation Methodology

Performance can be evaluated using the empirical measurement, analytical modelling and simulation techniques. Once a system has been built and is running its performance can be evaluated using the measurement techniques. During design and development phase it is necessary to use analytical or simulation technique [2].

As result tool is already developed we will propose to use empirical measurement method. This method consists of following steps:

1. Decide parameters to measure.
2. Choice of measurement tool.
3. Design of measurement experiment.

### Performance Measurement Metrics Classification and Selection

Network performance measurement parameters (NPM's) means the basic metric for performance. We categories these parameters into four groups,

**Availability :** (1) Connect

(2) Functionality

**Utilization:** (1) Capacity

(2) Bandwidth

(3) Throughput

- Loss:** (1) One Way Loss  
(2) Round Trip Loss
- Delay:** (1) One Way Delay  
(2) Round trip Time Delay  
(3) Delay Variance (Jitter)

Availability of network means connectivity and functionality of network. It evaluates robustness of the network, i.e. percentage of time network running without failure. Specific network element can be observed like link or node to observed amount of time they running without failure. Loss is fraction of packet loss during transition from source to destination within specific time interval. Loss is expressed in percentage. It indicate congestion, transmission error and device malfunctioning. Delay metrics indicate responsiveness of the network. It can be measured as one way delay, roundtrip time and jitter. Utilization metric measure capacity of communication link i.e. amount data can be pass through network in unit time.

### Measurement Tool

To measure Performances of a developed tool here we use windows performance tool. Following parameters and counters are chosen to evaluate performance. Availability parameter is not considered for measuring performance. A tool is tested in LAN environment; hence it assumes that the network is always available for user. We create a counter log file which contains counters shown in Table.1. During experiment counter log file stores values at the specified interval for defined counters.

Table 1: Performance Parameters

Sr.	Category	Metric	Unit	Counter used
1	Utilization	Throughput, effective capacity, bandwidth	Mbps	Current bandwidth
2	Loss	One way loss, round trip loss	Loss percentage	Packets sent/second Packet received /second
3	Delay or Responsiveness	Round trip time, one way delay, jitter	Milliseconds No. of packets	Output queue length

### Counter Used

**Current Bandwidth:** It is an estimate of the current bandwidth of the network interface in bits per second (BPS). For interfaces that do not vary in bandwidth or

1. For those where no accurate estimation can be made, this value is the nominal bandwidth.
2. Output Queue Length: It is the length of the output packet queue (in packets). If this is longer than two, there are delays and the bottleneck found.
3. Packets Received/sec: It is the rate at which packets are received on the network interface.
4. Packets Sent/sec: It is the rate at which packets are sent on the network interface.

## Experimental Setup

Experiments carried out in Client Server Environments. Experimental setup is shown in figure 3. Clients are connected to the server with D-link24 port switch and connection speed is 100Mbps. Client's specification is Intel Core™2 CPU4400 @2.00 GHz, 500 MB of RAM and operating system is windows xp and server specification is Intel Core™2 CPU4400 @2.00 GHz, 1GB of RAM and operating system is windows 2003.

Client copy of developed result tool is installed on Client Computers is accessed by user and during all transactions data is fetch and store from server machine database. Counters specified in table 1 are set with server machine performance tool. Various operations like subject registration, exam registration, student registration etc. performed by users. Data is collected in counter log files during performing various transactions by user simultaneously. Log file can be manually on or off. Performance data is stored at the location C:/PertLogs. Collected performance data can be export to the Excel file with following procedure as shown in figure. 2.

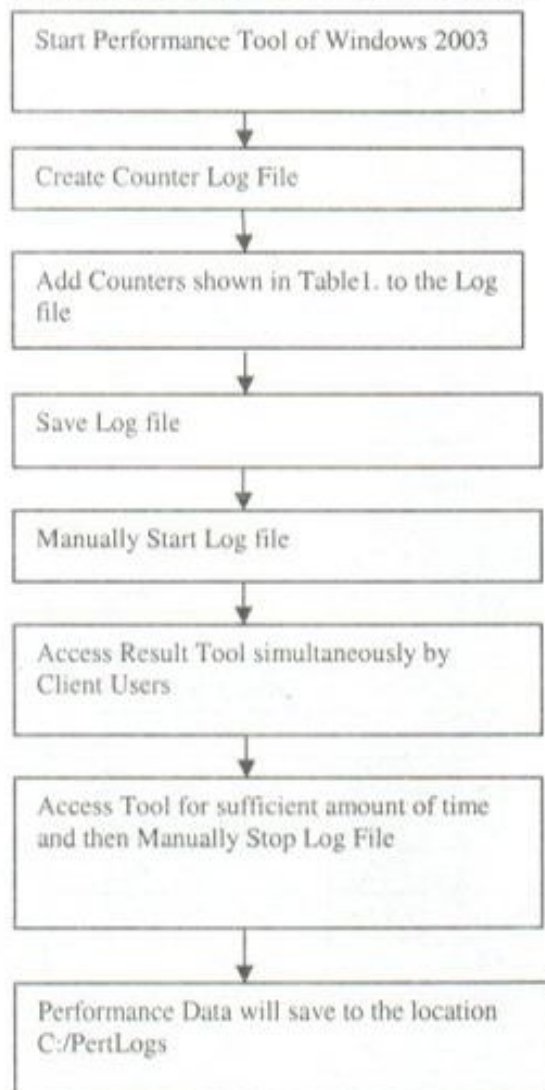


Fig. 2: Data Flow

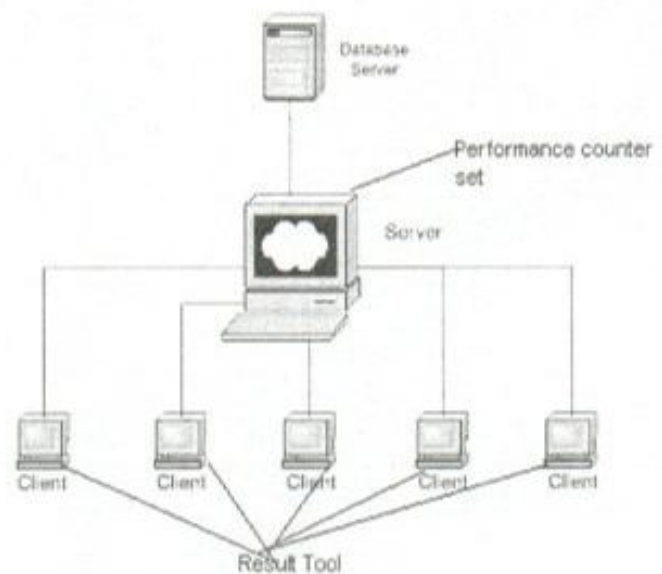


Fig. 3: Experimental Setup

### Experimental Data Collection

During experiment counter log file stores values at the interval of five second for defined counters. We record following performance data for 300 sec duration in 60 readings as shown in Table 2. Data collected for current Bandwidth and Output queue length is same for all clients

Table 2: Experimental Performance Data

Obs. No.	Data Samples Taken	Utilization	Delay	Packet Sent Per sec				Packet Received Per sec
		Band Width	Output Packet Queue	Client 1	Client 2	Client 3	Client 4	Server
1	11:54:03	100000000	0	118.8	232.1	661.7	163.1	193.3
2	11:54:08	100000000	0	187.2	177.2	240.7	245.0	498.4
3	11:54:13	100000000	0	52.0	220.9	336.0	225.8	236.4
4	11:54:18	100000000	0	10.8	244.2	523.2	87.8	511.0
5	11:54:23	100000000	1	112.1	383.8	202.0	224.4	572.2
6	11:54:28	100000000	0	105.1	339.8	60.0	286.2	234.6
7	11:54:33	100000000	1	346.7	349.0	51.4	306.2	234.6
8	11:54:38	100000000	1	231.0	316.4	159.5	289.2	151.6
9	11:54:43	100000000	0	177.6	114.8	123.2	292.6	111.8
10	11:54:48	100000000	0	153.3	162.4	266.6	262.2	125.0
11	11:54:53	100000000	0	22.3	333.0	146.1	221.5	72.0
12	11:54:58	100000000	0	49.8	167.3	61.6	200.8	108.8
13	11:55:03	100000000	0	61.2	134.2	74.0	333.8	74.4
14	11:55:08	100000000	1	146.1	206.6	179.2	338.2	175.6
15	11:55:13	100000000	0	179.0	378.0	74.2	188.8	418.8
16	11:55:18	100000000	0	47.6	319.6	9.6	113.0	87.4
17	11:55:23	100000000	1	53.4	65.6	176.0	292.0	108.2
18	11:55:28	100000000	0	169.9	288.0	35.9	451.2	55.6
19	11:55:33	100000000	0	111.7	484.2	5.2	177.5	83.8
20	11:55:38	100000000	0	24.6	85.0	112.8	236.4	76.0
21	11:55:43	100000000	0	67.2	124.2	205.2	261.4	66.0
22	11:55:48	100000000	0	256.2	212.7	20.6	259.2	65.6
23	11:55:53	100000000	0	244.8	259.0	12.6	245.5	134.0
24	11:55:58	100000000	0	410.0	365.4	59.6	284.6	116.0
25	11:56:03	100000000	0	39.9	134.0	181.6	334.2	87.6
26	11:56:08	100000000	0	54.2	257.2	88.4	254.8	105.6
27	11:56:13	100000000	0	151.6	50.8	21.0	179.2	127.0
28	11:56:18	100000000	0	167.8	38.2	83.4	184.6	108.8

29	11:56:23	100000000	0	322.0	68.2	36.4	391.4	87.6
30	11:56:28	100000000	0	25.7	32.3	21.8	588.4	124.6
31	11:56:33	100000000	0	181.4	126.6	350.4	441.2	96.4
32	11:56:38	100000000	0	181.6	76.4	50.4	329.2	89.4
33	11:56:43	100000000	0	152.0	57.4	24.2	362.8	78.8
34	11:56:48	100000000	0	181.4	92.1	86.1	281.3	101.6
35	11:56:53	100000000	0	28.1	69.6	132.6	237.6	143.0
36	11:56:58	100000000	0	52.6	97.4	128.2	325.8	116.0
37	11:57:03	100000000	0	117.6	119.0	107.9	177.2	247.2
38	11:57:08	100000000	0	8.0	144.2	30.4	269.8	167.6
39	11:57:13	100000000	0	1.8	77.2	140.8	603.6	137.6
40	11:57:18	100000000	0	2.8	124.8	0.8	326.0	129.6
41	11:57:23	100000000	0	0.6	125.0	0.4	221.9	94.2
42	11:57:28	100000000	0	13.0	103.3	0.0	69.0	91.0
43	11:57:33	100000000	0	71.4	116.6	29.4	62.2	87.0
44	11:57:38	100000000	0	29.7	108.6	1.8	94.6	93.6
45	11:57:43	100000000	0	47.9	52.6	1.6	59.8	78.6
46	11:57:48	100000000	0	153.8	128.0	0.6	66.2	133.8
47	11:57:53	100000000	0	61.6	148.2	0.2	105.6	41.2
48	11:57:58	100000000	0	29.3	215.4	0.0	57.2	54.0
49	11:58:03	100000000	0	20.3	76.4	0.4	158.1	42.6
50	11:58:08	100000000	0	14.2	71.6	89.8	186.6	30.8
51	11:58:13	100000000	0	94.9	70.2	18.0	215.6	145.8
52	11:58:18	100000000	0	50.0	45.9	2.6	200.6	246.6
53	11:58:23	100000000	1	29.5	102.9	104.2	295.1	97.4
54	11:58:28	100000000	0	74.2	39.6	40.9	314.0	71.0
55	11:58:33	100000000	0	99.4	231.0	109.8	221.0	49.6
56	11:58:38	100000000	0	83.3	7.8	109.2	499.7	44.0
57	11:58:43	100000000	0	83.6	9.2	93.3	358.8	205.2
58	11:58:48	100000000	0	29.3	85.0	123.0	214.2	63.8
59	11:58:53	100000000	0	45.1	171.6	161.8	418.6	137.6
60	11:58:58	100000000	0	118.8	184.2	32.3	257.0	129.6

### Performance Analysis

Performance analysis of the result tool is divided into three basic steps:

- (1) Data Collection,
- (2) Data Transformation
- (3) Data Visualization.



To perform these steps windows XP's performance tool is used. Data is collected in log file during execution of the result tool for specified counters shown in Table.1. Log file can be manually on or off. Performance data is stored at the location C:/PerfLogs. Collected performance data can be export to the Excel file. Built in Excel data transformation techniques are used to reduce size of experimental data. For Data visualization Microsoft Excel built in graph tool is used. Experimental performance data is presented in graphical format against sampled interval or time

Available bandwidth has been important parameters for packet network and also essential parameter in capacity provisioning, routing and traffic engineering [10]. Available bandwidth is directly related with data transmission speed of network. In other words Bandwidth in computer networking refers to the data rate supported by a network connection or interface. It seems from fig.1 that bandwidth available throughout the experiment is 100Mbps.

An output Queue Length counter values either equal to 0 or 1 throughout experiments. We can notice from figure 2 that for all transitions packet queue contains maximum one packet waiting for transmission, hence there are no delays and the bottleneck found while using tool in local area network. Network delay and bottleneck can be used to directly evaluate network path performance especially for small data transfer

Data values collected for data packets sent from Clients and same received by Server in Table2. We can analyze this data by performing some simple mathematical calculations.

Average Data packets Transfer from Clients to Server = 155 packets.

Average Data Packets Received by Server = 140 packets

% Data Loss =  $((155 - 140)/155) * 100 = 9.6\%$  approx.

Hence, approx. 9.6% data loss while it transfers from clients to server during execution of Result Tool. Other network losses are not considered here while performing experiments. We propose to find parameters which cause data losses. Also another technique should be studied to calculate more accurate data losses.

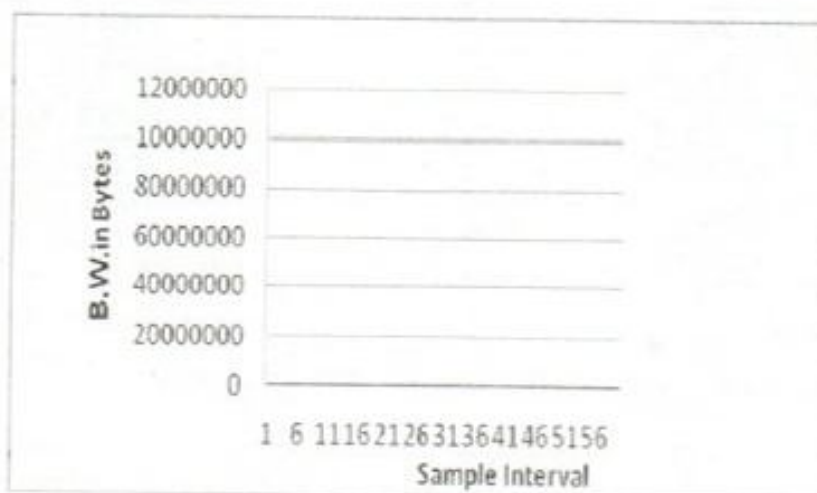


Fig. 4: Current B.W.

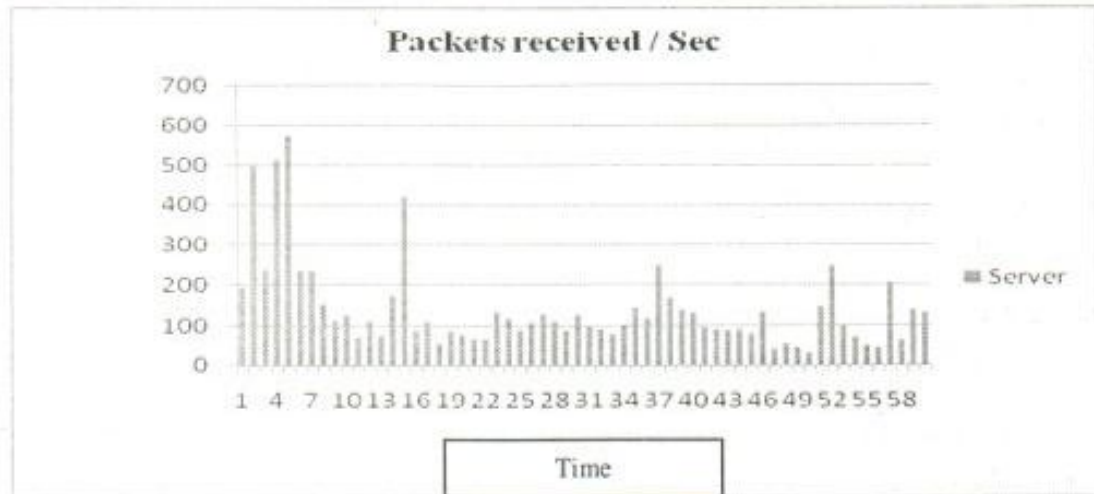


Fig. 5: Output Packet Queu

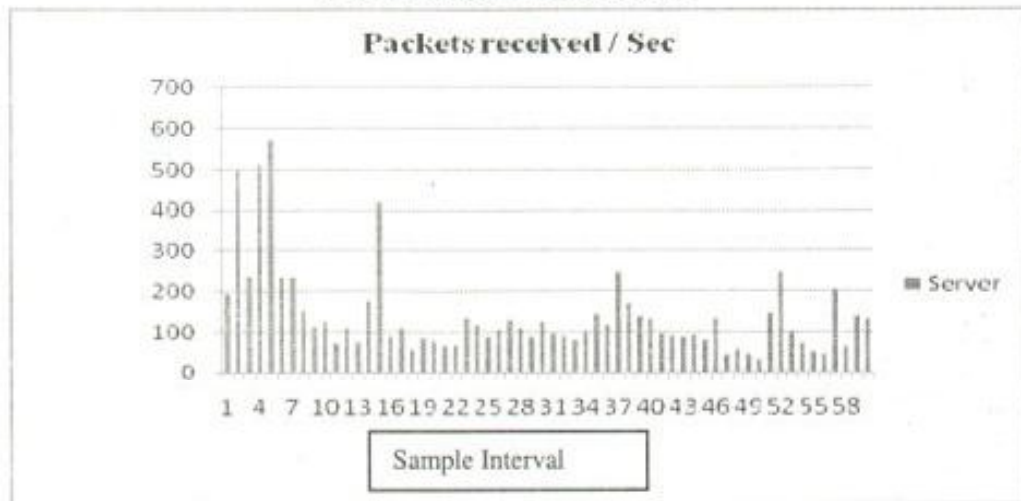


Fig. 6: Packets Sent per Second from Clients

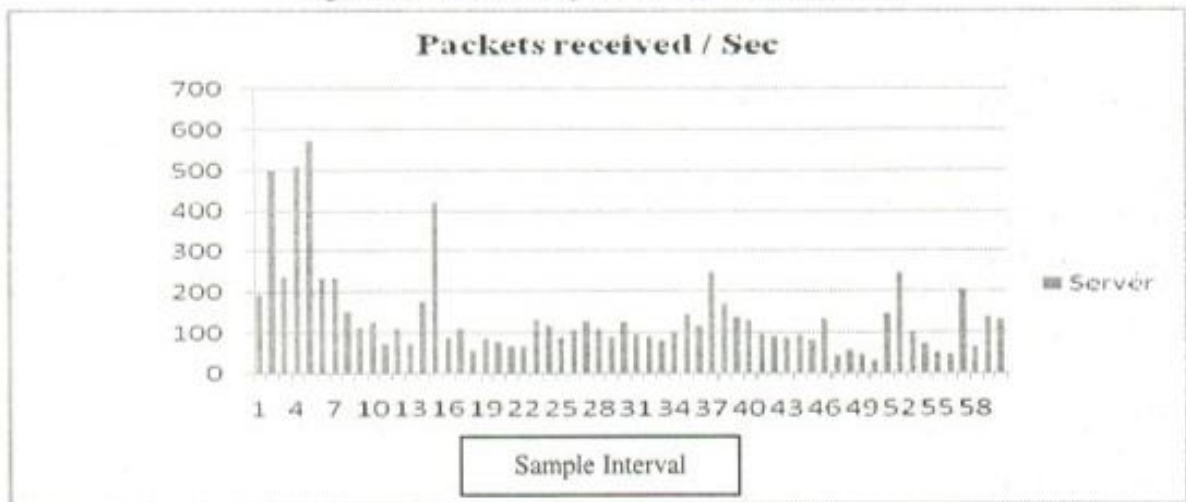


Fig. 7: Packets Received per Second by Server

## CONCLUSION

Developed result tool is tested in Ethernet local area network. Performance of the tool is considerable. No delays and bottleneck occurs while using tool in local area network. There is not heavy traffic on the network so it seems that Utilization of bandwidth is optimum hence there is scope to increase no of users in future. We can add additional module to our system to handle growing needs. We propose to find various parameters which help to reduce data losses. The developed result tool is user friendly.

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## Talent Management a Challenge for Manufacturing Companies in Satara

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**Abstract:** In this highly competitive world it is hard to find talented employees and biggest problem is to retain them and stop them from quitting. The aim of talent management is to secure the flow of talent because talent is a main resource for the organizations. Main focus of this research will be to find out various challenges of talent management faced by selected manufacturing companies in Satara. To retain talent companies have to concentrate how employees feel their organization as 'a great place to work with'. This research will cover challenges like attracting best talent from the industry, how to retain existing employees, lack of growth opportunity for existing employees. Research will focus on whether selected manufacturing companies in Satara use various talent development strategies and retention policies. The objective of this paper is to suggest various ways to overcome challenges of talent management and try to search out various intrinsic motivators which manufacturing companies can use to retain their talent.

**Keywords:** Talent Management, Intrinsic Motivators, Talent Development Strategies, Retention Policies, Competitive World.

### INTRODUCTION

In today's globalized and competitive business scenario each and every organization wants to achieve their objectives through all the available resources like machines, men, material, money and method. Out of these resources employee is an important resource without whom organizations can't run and achieve their objectives. For that every employee as we state it as talented individual has to perform and contribute. So therefore there is a need that organizations have to pay large attention to talent management, which refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives. The term "talent management" means different things to different organizations. For some it is about the management of high-worth individuals or "the talented" whilst to others it is about how talent is managed generally that is on the assumption that all people have talent which should be identified and liberated.

### Literature Review

David G Collings and Kamel Mellahi mentioned in his paper titled "Strategic talent management: A review and research agenda" (2009) Paper focuses on the topic of talent management remains underdeveloped a key limitation is the fact that talent management lacks a consistent definition and

clear conceptual boundaries. The specific contribution of the paper is in developing a clear and concise definition of strategic talent management. Also to develop a theoretical model of strategic talent management. The paper aid future research in the area of talent management through helping researchers to clarify the conceptual boundaries of talent management and providing a theoretical framework that could help researchers in framing their research efforts in the area. Additionally, it aids managers in engaging with some of the issues they face with regard to talent management.

Petra Horvathova, Irena Durdova mentioned in their paper titled "The level of talent management usage at human resources management in organizations of the Moravian-Silesian Region" (2010). The article is aimed at bringing information on the scope and the level of use of talent management by organizations in one of the Czech Republic regions, in the Moravian-Silesian Region. On the basis of data acquired by a questionnaire survey it has been found out that organizations in the above-mentioned region are implementing the system of talent management on a small scale.

Schehar Bano, Dr. Muhamamd Aslam Khan, Qazi Habib Ur Rehman and Asad Afzal Humayoun mentioned in their paper titled "Schematizing Talent Management, A Core Business Issue -Study of the factors those impacts on talent management in the corporate sector of Islamabad, Pakistan" (2011). The paper aims to integrate research on talent management with employee attitudinal outcomes and organizational effectiveness. It will play a distinctive role in conceptualizing talent management endeavors and their impacts on employee work engagement, turnover avoidance, and value addition. It was found that all the organizations have realized the value of managing their core talent, and have initiated new human resource practices which encourage the talent management as the top priority which responds to the change or crisis arises due to enhancements in knowledge based economic society.

Opas Piansoongnern1, Pacapol Anurit and Sureeporn Kuyawattananonta mentioned in their paper titled "Talent management in Thai cement companies: A study of strategies and factors influencing employee engagement" (2011) This paper investigated talent management strategies and employee engagement implemented in three leading cement companies in Thailand ranged from the largest to smallest ones. In-depth interviews conducted with multi-level employees involved in managing talent including executives, potential employees, and human resources (HR) staff, while 350 questionnaires were also distributed for an investigation of factors influencing employee engagement. The findings revealed that robust talent management planning, well support of top management, fair salary, good safety and health insurance, training opportunity, career advancement, organizational unity, a balance of work -life, and other environmental factors were crucial factors that keep talent rooted to organizations.

### **Research Methodology**

Present research put to test the hypothesis that, Talent Management initiative is not associated with high employee turnover.

The objectives set for the study are:

1. To find out various challenges of talent management faced by selected manufacturing companies in Satara.
2. To find out whether selected manufacturing companies in Satara use various talent development strategies and retention policies.

Researcher has used schedules for data collection. Data was collected from 25 respondents working in different manufacturing companies from Satara M.I.D.C. Simple random sampling is used for data collection.

### Data Analysis

The data is presented in tables and interpretation is facilitated beneath it.

Table 1: Talent Management Initiatives

Sr.	Talent Management Initiatives	No of Respondents	Percentage
1.	Yes	5	20
2.	No	20	80
	Total	25	100

Source: Primary Data

Majority of the respondents said that their company doesn't have talent management initiatives.

Table 2: Manufacturing Companies Identify Talent

Sr.		No of Respondents	Percentage
1.	By competencies	3	12
2.	By results	15	60
3.	By potential	7	28
	Total	25	100

Source: Primary Data

Majority of the manufacturing companies identify talent on the basis of results.

Table 3: Employees View on 'a Great Place to Work

Sr.		No of Respondents	Percentage
1.	Agree	5	20
2.	Somewhat agree	7	28
3.	Disagree	13	52
	Total	25	100

Source: Primary Data

Majority that is 52% of the respondents disagree with the view that their organization is 'a great place to work with'. Only 20% respondents are agree with the view.

Following table showing department in which it is

Table 4: Critical Departments to Attract and Retain Employees

Sr.	Department	No of Respondents	Percentage
1.	HR	2	8
2.	Finance	1	4
3.	Marketing/Sales	12	48
4.	Production	9	36

5.	Stores	0	0
6.	Purchase	1	4
	Total	25	100

Source: Primary Data

Majority of the employees (48%) said that in marketing/sales department it is critical to attract and retain employees. And 36% respondents said that in production department it is critical to attract and retain employees.

Table 5: Opinion on Retention Policy of Organization

Sr.	Retention Policy	No of Respondents	Percentage
1.	Yes	0	0
2.	No	25	100
	Total	25	100

Source: Primary Data

All the respondents opined that retention policy is not followed by their organizations

Table 6: Retention Bonus/Award Provided by the Organizations

Sr.	Retention Bonus	No of Respondents	Percentage
1.	Yes	10	40
2.	No	15	60
	Total	25	100

Source: Primary Data

Majority of the respondents (60%) said that their organization don't provide retention bonus/award for them. And only 40% respondents said that their organization provide retention bonus/award.

Table 7: Challenges for Talent Management

Sr.	Statement	Weighted Average	Rank
1.	Organization is having high turnover	10.16	1
2.	Organization is having high work pressure	10.16	1
3.	Lack of career development	9	5
4.	Improper working environment	7	9
5.	View talented employees real wealth of the organization	8.16	8
6.	Inadequate compensation	10	3
7.	Manufacturing sector has a negative image in the eyes of young employees.	8.83	6
8.	Fail to attract quality candidates	9.83	4
9.	Lack of specialized expertise	8.5	7

Source: Primary Data

Respondents have given first rank to 'Organization is having high turnover' and 'Organization is having high work pressure' with weighted average 10.16. Major challenge for manufacturing companies is their high employee turnover and high work related pressure.

Respondents have given third rank to 'Inadequate compensation' with weighted average 10, to retain talent all the organizations have to work on restructuring of their compensation.

Respondents have given fourth rank to 'Fail to attract quality candidates' with weighted average 9.83. So organizations have to work on recruitment.

Respondents have given fifth rank to 'Lack of career development' with weighted average 9; it indicates that majority of the respondents think that they don't get career development in region.

### Hypothesis Testing

H<sub>0</sub>: Talent Management Initiative is not Associated with High Employee Turnover

Talent Management Initiatives	High employee turnover		Total
	Agree	Disagree	
Yes	5	0	5
No	13	7	20
Total	18	7	25

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
5	3.6	2.6	6.76	1.877
13	14.4	-1.4	1.96	0.136
0	1.4	-1.4	1.96	1.4
7	5.6	2.6	6.76	1.207
$\sum (O-E)^2/E=4.62$				

Degree of freedom = (c-1) (r-1) = (2-1) (2-1) = 1

Table value of  $\chi^2$  at 5% level of significance = 3.841

Table value (3.841) < Calculated value (4.62).

Therefore we reject null hypothesis.

### FINDINGS

1. Majority of the respondents said that their companies don't have talent management initiatives.
2. Majority of the manufacturing companies identify talent on the basis of results.
3. 52% of the respondents disagree with the view that their organization is 'a great place to work with'.
4. Majority of the respondents (48%) said that in marketing/sales department and in production department it is critical to attract and retain employees.
5. Retention policy is not followed by any manufacturing company.
6. 60% respondents said that their organization don't provide retention bonus/awards for them.



7. Major challenge for manufacturing companies is their high employee turnover and high work pressure.
8. Inadequate compensation is a major challenge for manufacturing companies.

## SUGGESTIONS

1. Manufacturing companies should follow retention policies to retain talent and they have to consider talent as their wealth/asset.
2. Companies should design and implement talent management practices to attract and retain young talent.
3. Companies should carry out risk analysis to find out potential leavers.
4. Companies should work on compensation which should be competitive and fair.
5. To overcome problem of talent management companies should create a view so that employees should feel their organization as 'a great place to work with'.
6. Companies should follow employee engagement which may lead to reduction in turnover.
7. Exit interviews should be conducted to find reasons of talent movement.
8. Companies should focus on intrinsic motivators like challenging job, recognition at work, cooperation.

## CONCLUSION

Talent management is a need of today's organizations and it should be used by the manufacturing companies from Satara M.I.D.C. This paper focuses on challenges of talent management and suggested various strategies to ensure the retention of key talent.

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## Role of Foreign Institutional Investment in Indian Capital Market

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**Abstract:** The year 1991 was a path-breaking year in many respects for the Indian capital market as well as Indian financial system as a whole. The policy of Liberalisation, Privatisation and Globalisation was initiated from the year 1991. The doors of Indian financial markets were opened for the foreign investors. At the same time, the entire economy was going through a phase of transformation. The increasing use of technology, inter-linkage of the economies and markets and increased investment avenues resulted in flow of funds from one country to another country.

The foreign investors throughout the world are continuously in search of a better opportunity. Therefore, whenever these investors invest in a particular market, they invest in huge quantity. Similarly, when they find another alternative in the global market, this money is withdrawn and invested in another emerging market. This creates instability in the economy in general and the capital and stock markets in particular. This paper tries to highlight the role and impact of FIIs in Indian capital market.

**Keywords:** Foreign Investment, Capital Market, Globalisation, Institutional Investment.

### INTRODUCTION

In the development of the financial sector, the role of capital market is indispensable apart from the money market. Therefore, it is obvious that capital market development also has a strong impact on the economic development of the nation. Well developed stock markets in a country have the potential to offer innovative financial services and can thus provide push to the economic activities. Capital markets in any country play an important role in supporting technological progress and in the process, economic development by channelizing the funds for productive and long term growth prospects. This facilitates economic development as a whole. After the emergence of the new economic policy, the foreign investment in various ways started growing rapidly. The Indian financial markets were flooded with various forms of foreign investment like Foreign Direct Investment (FDI), Portfolio Investment (PI) as well as Foreign Institutional Investment (FII). The experience from the recent trends shows that the foreign investment has been substantial and it is significantly contributing in the development of the Indian capital market.

### Research Methodology

The study put to test the hypotheses as:

1. The foreign institutional investment may create substantial instability in the Indian capital market.
2. During the recessionary phase, the foreign institutional investment slows down.
3. Researchers purports following objectives on the basis of above hypotheses.
4. To study the role of foreign institutional investment in the Indian capital market.
5. To critically examine the impact of foreign institutional investment on Indian capital market.
6. To study the behaviour of foreign institutional investment during the period of recession.

The present study is largely based on the available secondary data. The statistical data regarding growth of the capital markets *vis-a-vis* foreign institutional investment was available with various websites. Majority of the information was collected from the published records/reports of various players and intermediaries in the financial markets in India as well as abroad. The data relating to the capital market and FII for the years 1991 to 2011 was considered for the purpose of study. This study is purely descriptive in nature and it studies the impact and role of foreign institutional investment on Indian capital market.

### Review of Literature

Tripathy Nalini Prava and Sahu Pramod K. (1998) have put forward their observation that the emergence of capital market as contributor to the growth of forex reserves is nothing but an impact of liberalization.

'Liberalization has resulted in a rapid restructuring of the economy much in tune with the global trends. As a result, capital market has emerged as the major contributor to the growth of foreign exchange reserves of the country. In a rapidly changing capital market, it is essential to respond quickly and positively to events which tend to move share price.'

Avadhani V.A. (1999) hints at the future of the Indian capital market, While commenting on the future, he also notes the possibility of small investors being wiped out of the markets.

'The future capital market should be sophisticated with less developed segments of all types namely cash market, forward market, options and futures etc. These segments will attract more foreign funds to come in through the FFIs and FIIs. The individuals and small investors may be out of this market due to strict capital adequacy norms and high margins.'

Bhasin Niti (2004) further puts forward the challenges posed by the globalization before the Indian markets. Here also the author gives importance to the efficiency of the markets.

'A major issue which will influence India's securities markets in future is the challenge of globalization. There is need for greater thought and policy initiative in fully integrating a global perspective in to the plans of firms, exchanges, regulators and policy makers.'

In terms of information efficiency, India markets are not efficient, like most markets of the world. Markets do not as such follow a random walk, especially when they seldom satisfy the stringent criteria of stationary, independent, identical and normally distributed stock returns.'

Avadhani V.A. (2006) has further stated that the policy changes have facilitated the inflow of funds in the country. Apart from this, raising the funds from abroad has also been facilitated by these reforms.

'With the recent economic reforms, markets have become free, competitive and globalised. The FIIs and FFIs are allowed to operate in Indian financial markets. Current account convertibility facilitates inflows and outflows of funds. These policy changes widened the avenues or sources of funds as also the instruments through which they can raise the funds from abroad.'

Biswas Joydeep (2007) commented that volatility in the stock exchange is seen where there is no integration of the market. In case of globally integrated markets, there is less volatility.

'The big stock markets are highly volatile and trade in high volumes, while the stock markets that are more integrated globally are likely to be less volatile.'

Reddy B.B., Ramaiah M.V., Reddy B.P. (2008) have concluded that there is a significant impact of FIIs on the prices and volatility in Indian market.

'The fortune of investors in stock market is often determined by behavior of FIIs. This has been proved several times. Though there is a high degree of volatility due to investments made by FIIs, it is proved that the FIIs are one of the main factors for the growth of Indian stock market.'

## Results and Discussion

Over the years, different types of FIIs have been allowed to operate in Indian stock markets. They now include institutions such as pension funds, mutual funds, investment trusts, asset management companies, nominee companies, incorporated/institutional portfolio managers, university funds, endowments, foundations and charitable trusts/societies with a track record. Proprietary funds have also been permitted to make investments through the FII route subject to certain conditions.

## FOREIGN INVESTMENT AND INDIAN CAPITAL MARKET

The year 1990 was a path breaking year in the history of Indian capital market as well as in Indian economy as a whole. Before 1990, the foreign investment was not freely permitted in India. After 1990, foreign investment was allowed in Indian market.

Table 1: Foreign Investment Inflows (₹ Crores)

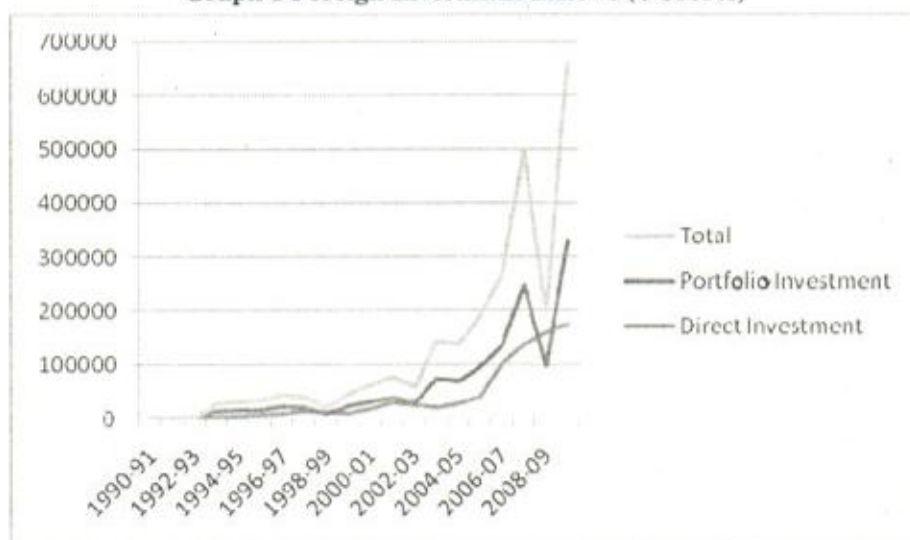
Sr.	Year	Direct Investment	Portfolio Investment	Total
1	1990-91	174 (94.05)	11 (5.95)	185
2	1991-92	316 (96.93)	10 (3.07)	326
3	1992-93	965 (56.73)	748 (43.27)	1713
4	1993-94	1838 (14.11)	11188 (85.89)	13026
5	1994-95	4126 (25.57)	12007 (74.43)	16133
6	1995-96	7172 (43.52)	9192 (56.48)	16364

7	1996-97	10015 (45.99)	11758 (54.01)	21773
8	1997-98	13220 (66.05)	6794 (33.95)	20014
9	1998-99	10358 (102.54)	-257 (-2.54)	10101
10	1999-2000	9338 (41.59)	13112 (58.41)	22450
11	2000-01	18406 (59.34)	12609 (40.66)	31015
12	2001-02	29235 (75.20)	9639 (24.80)	38874
13	2002-03	24367 (83.72)	4738 (16.28)	29105
14	2003-04	19860 (27.53)	52279 (72.47)	72139
15	2004-05	27188 (39.37)	41854 (60.63)	69042
16	2005-06	39674 (41.77)	55307 (58.23)	94981
17	2006-07	103367 (76.52)	31713 (23.48)	135080
18	2007-08	138276 (55.75)	109741 (44.25)	248017
19	2008-09	161536 (165.00)	-63618 (-65.00)	97918
20	2009-10	176304 (53.45)	153511 (46.55)	329815

Figures in the bracket indicate percentage to total inflow.

Source: www.rbi.org.in, Handbook on Indian Securities Market, SEBI, 2009 pp.53

**Graph 1 Foreign Investment Inflows (₹ Crores)**



The Table 1 states clearly that there is consistent increase in both direct investment as well as portfolio investment as the element of foreign investment in India. The direct investment (FDI) grew steadily over the last two decades. But in case of portfolio investments, there are ups and downs over the last two decades. The Compounded Annual Growth Rates (CAGR) in respect of Direct Investment is 43.94% while CAGR in case of Portfolio investment is 65.25%. While as regards the total investment, CAGR is 48.29%. Thus, though there is increasing trend in direct as well as portfolio investment, foreign portfolio investment is growing at more pace as compared to foreign direct investment. In the year 1998-99 and 2008-09, there was negative portfolio investment. Especially in the year 2008-09,

due to global financial crisis, there was divestment as the foreign investors opted to take the money back and go away from the market. Thus, due to direct investment, there is no instability, but portfolio investment involves instability as there is no consistency in foreign portfolio investment.

## FOREIGN INVESTMENT AND VOLATILITY

But it is even more significant to observe the relationship between the foreign Institutional Investment (FIIs) and the volatility in the Indian capital market. Volatility is a measure of instability in the market. Normally, it is calculated with the help of standard deviation of returns.

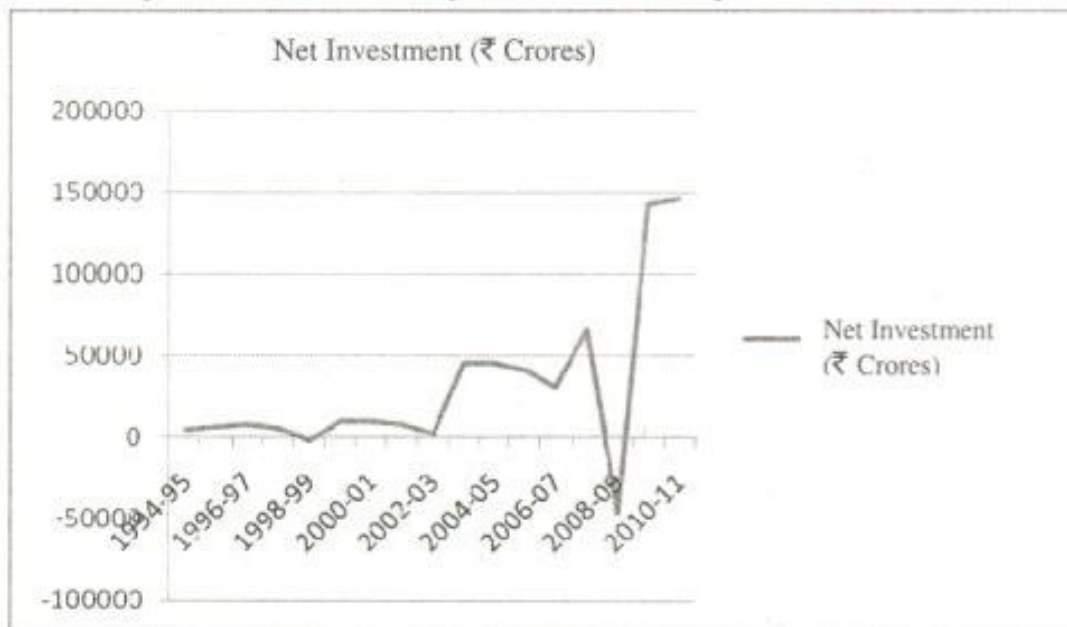
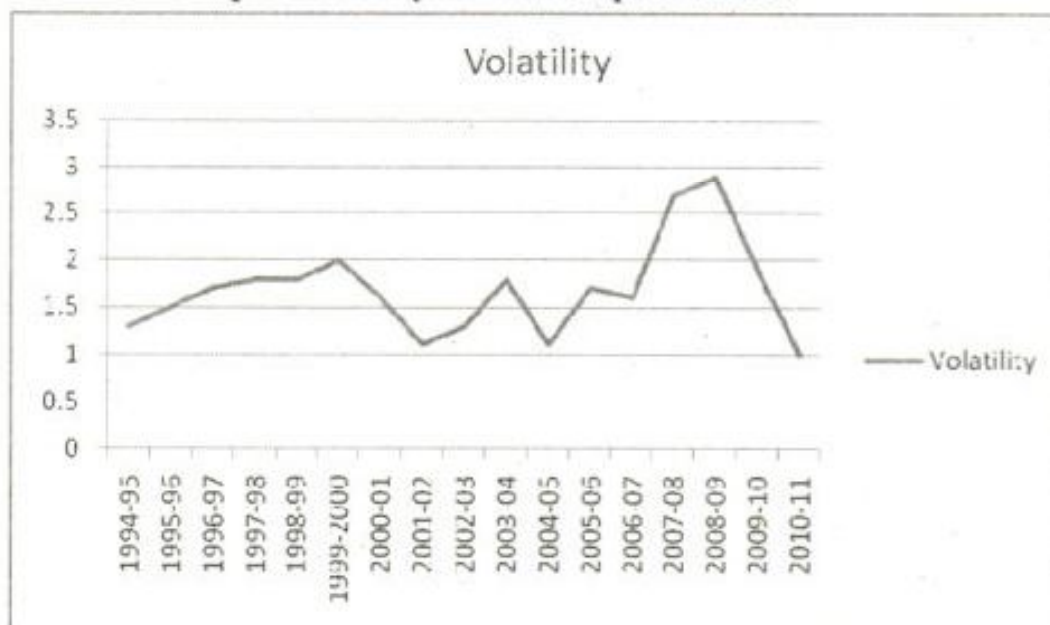
Table 2: FIIs in Indian Markets and Volatility\*

Sr.	Year	Net Investment (₹ Crores)	Volatility
1	1992-93	13	---
2	1993-94	5127	---
3	1994-95	4796	1.3
4	1995-96	6942	1.5
5	1996-97	8575	1.7
6	1997-98	5958	1.8
7	1998-99	-1584	1.8
8	1999-2000	10122	2.0
9	2000-01	9933	1.6
10	2001-02	8763	1.1
11	2002-03	2689	1.3
12	2003-04	45764	1.8
13	2004-05	45880	1.1
14	2005-06	41467	1.7
15	2006-07	30841	1.6
16	2007-08	66179	2.7
17	2008-09	-45811	2.9
18	2009-10	142658	1.9
19	2010-11	146438	1.0

\*Volatility is standard deviation of returns.

Source: Bloomberg L.P.

– Handbook of Statistics on Indian Securities Market, 2009, pp. 51

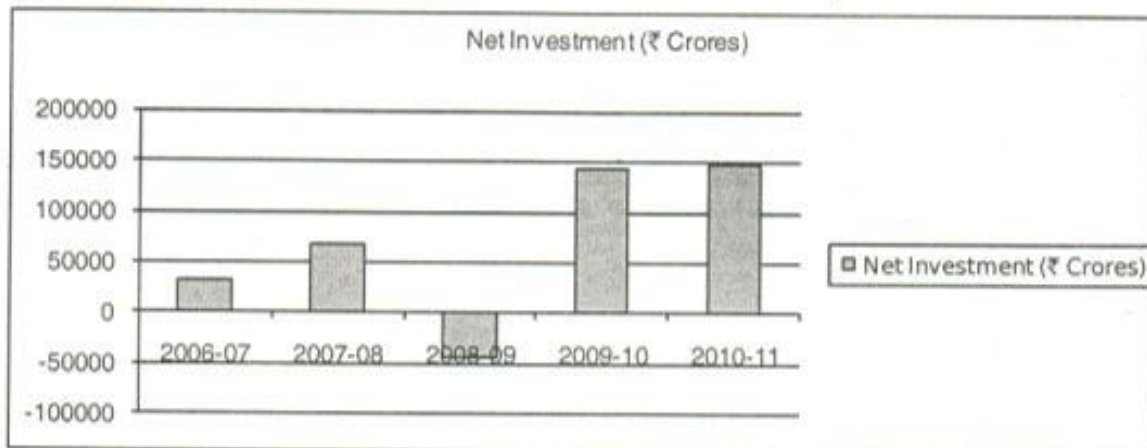
**Graph 2 Net Investment by FIIs in Indian Capital Market****Graph 3 Volatility in Indian Capital Market**

The table 2 and the graphs indicate the net investment made by FIIs in the Indian capital markets vis-à-vis volatility in the Indian capital markets. During the year 1998-99, the net investment by FIIs was negative. The same thing has been observed during the year 2008-09. For the year 1998-99, the reason for negative net investment by FIIs was political instability. Again after 1999, there was increase in FIIs net investment in the Indian markets. Especially, after 2003, the net FIIs investment flourished in the Indian markets. During the year 2008-09, there was negative FIIs net investment again which was the result of global financial crisis which emerged at that time. But in the corresponding year, the volatility was at its highest level since 15 years. These facts prove hypothesis set for the study

Table 3: Impact of Recession on FII in Indian Capital Market

Sr.	Year	Net Investment (₹ Crores)
1	2006-07	30841
2	2007-08	66179
3	2008-09	-45811
4	2009-10	142658
5	2010-11	146438

Graph 4 Impact of Recession on FII in Indian Capital Market



The year 2008-09 is known as the year of depression in the recent economic history. If we analyse the FII in Indian capital market from 2006-07 to 2010-11, it can be easily understood that during the year 2008-09, there was negative net investment by FIIs in the Indian capital market. This is purely because of the recession throughout the world. The players in the global market withdrew their money anticipating the fears of deep depression and that is why there was huge decline in net investment.

### Testing of Hypotheses

Foreign investment in Indian capital market may create substantial instability in financial markets.

$r = \text{correlation} = 0.495655$

$\delta = \text{correlation coefficient between foreign investment and volatility}$

$H_0 = \delta = 0$   $H_1 = \delta > 0$

Under  $H_0$ ,  $t_0 = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}} \sim t(n-2)$

$t_0 = 1.8928$

at 5% level of significance, the critical value is 1.796.

$t_0 > 1.796$  hence, reject  $H_0$

i.e., there is positive correlation between 'foreign investment' and 'volatility'.

It means foreign investment in Indian capital market creates substantial instability in financial market.



Hence, the hypothesis 'foreign investment in Indian capital market may create substantial instability in financial market' is accepted.

### **During the Recessionary Phase, the Foreign Institutional Investment Slows Down**

The graph 4 clearly indicates that during the years 2006-07 and 2007-08 the net investment has shown an increasing trend. Similarly, the years 2009-10 and 2010-11 also show an increasing trend in respect of net investment by FIIs in Indian capital market. But only during the year 2008-09, the trend was reverse. It was not only declining, but the net investment was negative during the year 2008-09. Thus we can conclude that during the recessionary phase, the foreign investment slows down. This proves our second hypothesis set for the study.

### **CONCLUSION**

A positive contribution of the FIIs has been their role in improving the stock market infrastructure. The SEBI has no doubt contributed much in improving the stock exchange infrastructure. However, it is doubtful whether one would have witnessed such rapid developments in computerising the operations of the stock markets and introduction of paperless trading in the demat form if the FIIs had not built up pressure on the authorities to move in this direction.

The FIIs are playing an important role in bringing in funds needed by the equity market. However, the fact remains that FII investments are volatile and market driven, but this risk has to be taken if the country has to ensure steady inflow of foreign funds. It is also equally important to note that, since recent past, FIIs have made Indian capital markets more volatile. Further, due to recession, there is sharp fall in the net investment by the FIIs in the Indian capital market.

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सेविंग्स स्कीम, डिपॉजिट्स और ग्रैंड लोन्स के जरिए. यानी अब आपके सपनों की मंजिल आ गई आपके बित्कुल करीब!



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