

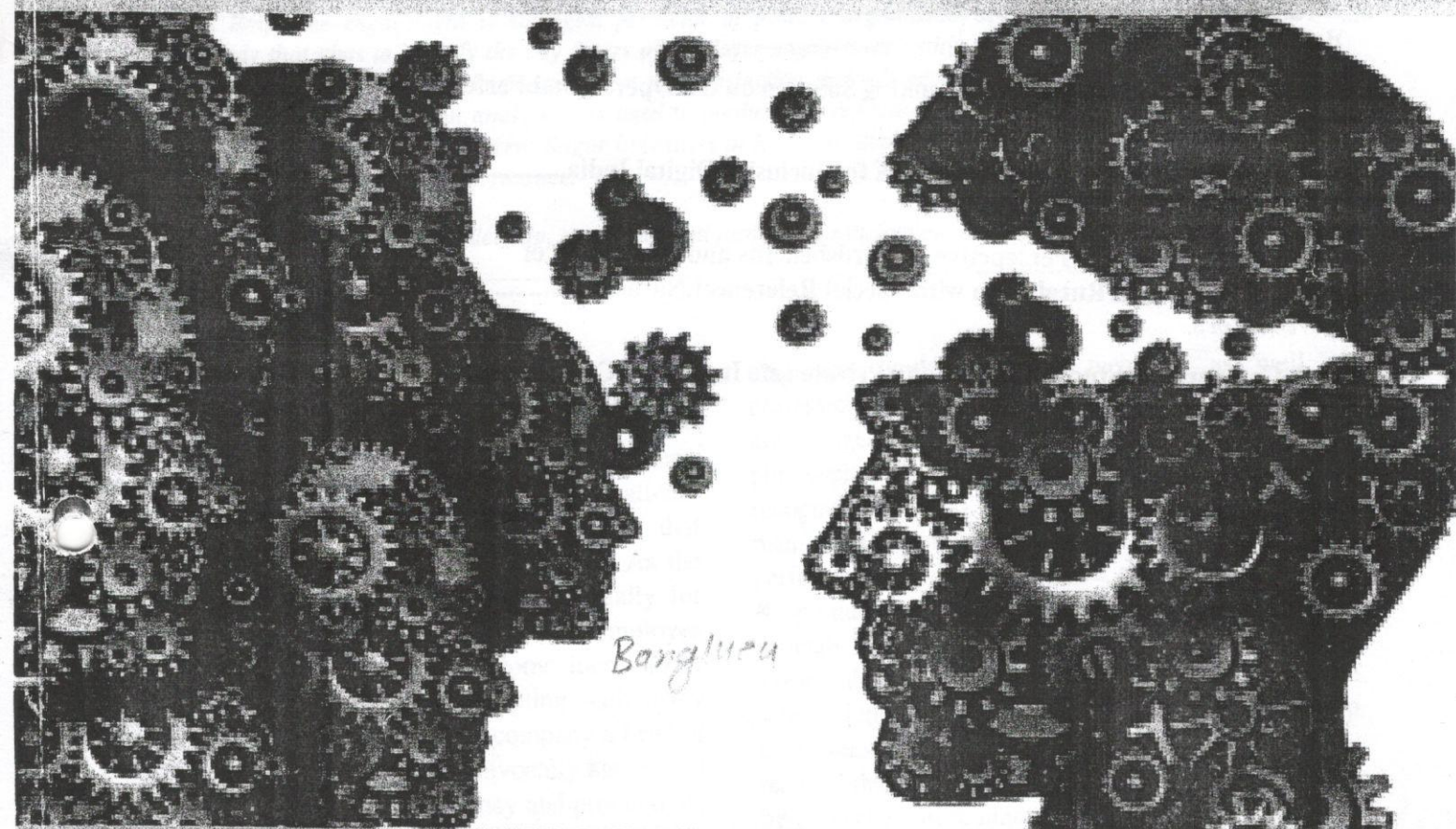
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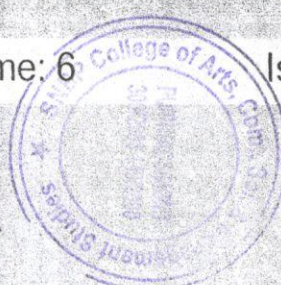


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Employee Engagement: It's Impact on Performance & Satisfaction

Dr. Sudhir A. Atwadkar¹, Umeshwari P. Patil²

^{1,2}SNBP College of Arts Commerce Science & Management Studies, Morwadi, Pune-18

¹sudhir.atwadkar@gmail.com, ²umeshwari_patil@rediffmail.com

ABSTRACT

During last two decades, employee engagement becomes a very popular managerial issue. Employee engagement is very vast concept that touches almost all parts of human resource management. Employee engagement is integral to diving successful organization. Employee engagement is the emotional commitment the employee has to the organization and its goals. Engaged employees are emotionally attached to their organization and highly involved in their job with great interest for the success of their organization. Though there is increasing contribution in the concept of employee engagement. The engagement gap grows more in importance among the waves of increase in complete business environment. Employee engagement is strongest predictor of positive organizational performance. This study is an exploratory study that aims to identify the key divers of employee engagement within the Sugar industry in Kolhapur. It also studies the impact of employee engagement on job satisfaction and job performance. A survey questionnaire was developed and validated. Regression analysis was used to predict and explain the proposed relationship. The study was conducted on 200 employees from different Sugar industries in Kolhapur district. Employee engagement had significant impact on job satisfaction and job performance.

Keywords: employee engagement, leadership, organizational justice, job satisfaction and performance.

1. INTRODUCTION

The concept of engagement has naturally evolved from pas research on high involvement, empowerment, job motivation organizational commitment and trust. All organization thinks that their employees to be engaged in their work. As the current job market gains momentum, especially for corporate companies, it may find that employee retention with performance has become increasingly difficult. Managers have been grappling with many challenges to succeed putting their company a head of competitors. Every manager unequivocally agrees that this century demands more efficiency and productivity than any other time in history. Businesses are striving to increase their performance. TQM, BPR etc. techniques are suggested by many authors by focusing operational & process improvement and were found helpful in increase organizational performance.

To help managers, different research, scholars, consultants have been contributing lot to get the best ways to managers to improve performance. Today every organization requires more number of

employees with increased technical as well as professional knowledge & skill. The skillful & knowledgeable employees cannot be managed in old philosophy. They expect autonomy, satisfaction and recognition (status). The knowledge workers can be managed as knowledge economy. The organizational performance is depends on the employees efficiency & productivity and efficiency & productivity depends on ability & commitment of employees. Their ability & commitment depends on the satisfaction level. Management focus on how to keep employees engaged in their job. Every employer now realized that initiative of improvement which is taken by management cannot be fruitful without willful involvement and engagement of employee. By focusing on employee engagement organization can creates more efficient productive and effective workforce. The employee engagement is vast concept. Employee engagement is conceptualized as the individual's investment of his complete self into role. Engagement and involvement is positive attitude where an individual goes above and beyond the call of duty. to heighten the level of ownership and to

further the business interest of the organizational whole. Employee engagement is considered in terms of satisfaction and performance. The present study is carried out in Sugar industry in Kolhapur district.

First, this article explores the evolution of the concept. Secondly, discuss the drivers (factors) leading to engagement. Thirdly, the impact of employee involvement and engagement on performance and job satisfaction which leads to business outcomes like productivity, growth, customer satisfaction and profitability. Finally, focus on the strategies the company should use to keep employees engaged in their job.

2. REVIEW OF LITERATURE

2.1) Definition & Review:

The word engage has many meanings and it varies according to situations. It denotes the emotional state of being involved or committed. There are differences among, behavior and outcomes in terms of engagement. Some authors have defined employee engagement does not mean employee happiness or satisfaction. It means emotional commitment the employee has to the organization and its goals. The International Survey Research (ISR) defines "Employee Engagement is a process by which organizations increase commitment and continuation of its employees to the achievement of superior results". Kieron Shaw (2005) highlights translating employee potential into employee performance & business success. Robinson (2004) defines employee engagement as "a positive attitude held by the employee towards the organization & its value." Employee willingness and ability to help their company succeed largely by providing discretionary effort on a sustainable basis (Perrin's Global Work Force Study 2003). This study focuses that engagement is influenced by many factors which involves both emotional & rational factors relating to work & work experience. Employee engagement to a positive employee's emotional attachment and commitment (Dernovsek 2008). An engaged employee is aware of business context and work with colleagues to improve performance within the job for the benefits of the organization.

Engagement is about passion and commitment, the willingness to invest oneself and expand one's discretionary effort to help the employer succeed.

which is beyond simple satisfaction with the employment arrangement or basic loyalty to employer (Macey & Schinder, 2008). The full engagement equation is obtained by getting maximum job satisfaction and maximum contribution. Stephen Young distinguishes between job satisfaction & engagement contending that only engagement (not satisfaction) is the strongest predictor of organizational performance (Human Resource, 2017).

2.2) Importance of Engagement:

Engaged employees lead to higher service, quality and productivity, which leads to high customer satisfaction which leads to increase the sales, which leads to higher level of profit growth. Engagement is important for managers to cultivate give that disengagement is central to the problem of workers, lack of commitment and motivation. The research using different resources of engagement has linked it to such variables as employee turnover, customer satisfaction, loyalty, safety and to lesser degree productivity and growth of sales & profit. Any organization's capacity to perform is closely related with the employee to perform is closely related with the employee's ability to achieve high performance and better business outcomes. Employee engagement leads to various advantages to organization; it builds passion, commitment and discipline with organization strategies and goals. It helps to build up trust and long association with organization. It generates sense of devotion and makes effective brand ambassadors to employee, which helps business growth & performance in a competitive environment.

2.3) Drivers of Employee Engagement:

There are crucial drivers that lead to employee engagement which are common in most business organizations. However, the components and the relative strength of each driver are likely to be depending on the nature, type, sector of organization and demographic variations in the region. This study attempts to identify the main drivers of employee engagement within the Kolhapur district in Cooperative Sugar industry context.

- i) **Leadership:** Effective leadership behaviour that supports engagement reflected self-awareness, communication of information, transparency, and respectful treatment of employees and

organization's standards of ethical behaviour. Leadership according to engagement literature embraces also inspirational motivation, by which leaders provide meaning and challenge to assigned employees' work; also, intellectual stimulation, whereby leaders support employees' adaptively and creativity in a blame free context. As a result, employees develop trust in their leaders and management, and accordingly reciprocate by attempting to fulfill their obligations to the organization by becoming more engaged. Trust in the leader, support and create psychological safety and free working environment.

ii) **Training and development:** This variable is consistent with the scope of job resources as proposed in Job Demands - Resources. It bears dual importance to ambitious employees. Training, development and learning can be looked at as an intrinsic motivator that supports employees' growth and enhances individual development plans by fulfilling basic human needs such as needs for autonomy, relatedness, and competence. It can also be perceived as an extrinsic motivator, because it provides employees with tools and resources, as knowledge, skills and competencies that are applied on the job and are imperative for employees' goal achievement and career growth opportunities. Job resources motivate them to dedicate more energy and time in their work.

iii) **Appraisal & Motivation:** Appraisal is a formal structured system of meaning and evaluating an employee's job related behaviour and outcome to discover how and why the employee is present performing on the job and the employee can perform more effectively in the future so that employee organization and society and all benefit. Motivation is one of most frequently used words in psychology. It refers to the factor which move or activate the organism, it infer the presence of motivation when other people work towards certain goals. The person has motivated to achieve something.

iv) **Career Opportunity:** Recent development in the literature on career has begun to reflect a greater global reach and acknowledgement of an international, global understanding of career. These developments have demanded a more inclusive understanding of career as it is experienced by individuals around the world. Related issues within the career literature include relationship within the career theory and convergence and practices.

v) **Compensation and benefits:** It involves both financial rewards, and non- financial benefits. The level of an employees' engagement depends on employee's attractiveness of received compensation and benefits. Employees after receipt of said rewards and recognition feel obliged to respond with higher levels of engagement. Top performing employees prefer to be distinctively rewarded and recognized for the outstanding work they do, especially when pay is related to performance. A study demonstrated that the level of rewards and recognition may be an important part of work experience and a strong predictor of engagement when performance related pay culture prevails at work. In support with the literature, the factor of rewards and recognition remains a significant predictor of engagement.

vi) **Policies and Procedures:** To create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employee. The hiring process involves dealing with employees starting from the selection process to the end of the contract, by maximizing the person-job fit which is important for further employee engagement. Work Life Balance in its broadest sense is defined as a satisfactory level of involvement or 'fit' between the multiple roles in a person's life. Performance management that sets meaningful goals and builds employer-employee trust acts as a holistic measure that enhances employee engagement. Also, encouraging employee health and safety



programs can maximize employees' wellbeing physically and mentally, which accordingly reinforces employee engagement. Said programs include employee assistance programs for alcohol and drug addiction, wellness screenings, stress management training, counseling and safety training.

vii) **Organizational justice:** The term organizational justice is invented by Wendell French in 1964. It applied by organizational psychologists to refer to the just, fair and ethical manner in which organizations treat their employees. If employees perceive an organization is fair and just to them, they will reciprocate by putting more to work and by increasing their engagement, in accordance to the exchange ideology. The feeling of safety is influenced by the predictability and consistency of the fairness in assigning rewards, resources or even inflicting punishment at work. Organizational justice is concerned with the ways in which employees determine if they have been treated fairly in their jobs and the ways in which those determinations influence other work-related variables. It influences employees' attitude and behaviour and consequently their performance and the organization's success. Greenberg's four- factor model of justice proposed that interactional justice might actually be subdivided into two factors.

viii) **Satisfaction:** The performance benefits accrued from increased employee satisfaction have been widely demonstrated in the academic literature. To list but a few, these include: increased commitment, performance; decreased employee turnover, decreased absenteeism. Satisfaction commits embraces a strong belief and acceptance of the goals and values of the organization; a willingness to exert considerable efforts on behalf of the organization; and a strong desire to continue working with the organization. Satisfaction construct that - employees' emotional attachment towards their organization; continuance commitment that is the recognition of costs associated with leaving the organization; and normative commitment which is the moral

obligation to remain with the organization. Employee engagement has developed as a vital constructs in the organizational research on account of their positive relation with employees' behaviour, which promote organizational retention as well as performance. Nevertheless, satisfaction remains the most potential benefit for an organization, as it directly influences how employees perform their jobs and reciprocate with engagement in supportive working environment.

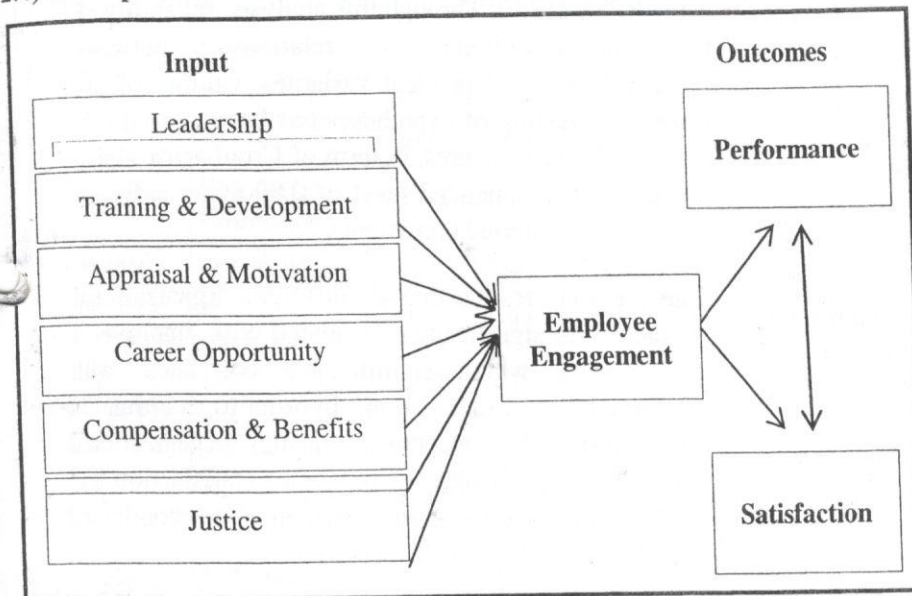
ix) **Performance** The overarching purpose of this study is to provide insight into the role that engagement plays in relationships with both job performances. Here we define job performance as the aggregated financial or non- financial added value by the employees in contribution to the fulfillment both directly and indirectly to the targeted organizational goals. Studies have shown that employee engagement has a positive influence on organizational performance indicators such as: productivity, employee turnover, organizational commitment, and safety. However, not all researchers totally agreed with the idea that employee engagement motivates business success. Alternatively they supposed that there is a reverse connection between organizational performance and employees' attitudes; thus, when the organizational performance indexes are high it evokes positive attitudes among workers. Studies showed that engagement is an individual-level construct that needs to impact the employee at first, and then follows by affecting the organization at large.

Therefore, the **hypotheses** was developed as follows -

- 1) There is association between leadership and employee engagement.
- 2) There is association between the training & development and employee engagement.
- 3) There is association between appraisal & motivation and employee engagement.
- 4) There is association between career opportunity & employee engagement.

- 5) There is association between compensation & Benefits and employee engagement.
- 6) There is association between policies & procedure and employee engagement.
- 7) There is association between justice & employee engagement.

2.4) Conceptual Model:



3. METHODOLOGY

Developing and administrating a questionnaire to convenience sample of Sugar industry employees in Kolhapur district to test the proposed hypotheses in model. The collected data was analyses thorough weightage method, correlation and regression analysis to assess the impact of variables on satisfaction and performance. The analysis was made by using SPSS version 17.

3.1) Sample:

Before distributing questionnaire, all participants were declared that their involvement was voluntary and secrecy was guaranteed. Total 200 respondents were included from 4 Sugar Industry working in Kolhapur district. However, incomplete responses and not answered questions etc. was eliminated and final size used for analysis is 96 percentage i.e. 192 samples.

The questionnaire was included the demographic variables- Gender, Age, Education, Income, Designation and Experience. The study variables- Leadership, Training & Development, Compensation and Benefits, Organizational Justice, Employee

Engagement and Performance were measured by using 5 items each whereas Policies & Producer, Career opportunity, Appraisal and motivation and Satisfaction were assessing by 6 items each. All items were assessed on a five point Likert Scale in answer ranged from 1 (Strong Disagree) to 5 (Strongly Agree).

4. ANALYSIS & RESULT DISCUSSION

Table No.1: Variables Leads to Employee Engagement

No.	Variables	Mean	Rank
1	Leadership	3.64	I
2	Training & Development	3.54	IV
3	Appraisal & Motivation	3.42	V
4	Career Opportunity	3.15	VII
5	Compensation & Benefits	3.55	III
6	Policies & Procedure	3.38	VI
7	Justice	3.57	II

The demographic variables, the age of participants were in the range of 21 to 45 years with the mean 38 years. Compare with male & female employees, male

employees were the majority in sample 74 percent. 52.5 percent of the sample has a bachelor degree whereas 35 percent of samples has post graduate. 36 percent employees worked in middle level management whereas 16 percent in senior level management. Most of the employees having experience in the range of 5 to 15 years and majority of the employee's income in the range of 15K to 25K.

To evaluate the prime variable which impacts the employee engagement the Weighted Average Method is used and calculated which showed in Table No.1.

The study shows that most important factor which leads the employee engagement is Leadership with 3.64 mean values. Justice is on Second rank with mean value 3.57 whereas with 3.55 mean values Compensation and Benefits is on Third position. On Fourth & Fifth rank Training and development and Appraisal and motivation with mean values 3.54 and 3.42 respective. Policies and procedure and Career opportunity are on Sixth, Seventh ranks with mean 3.38, 3.15 respectively.

5. CORRELATION & REGRESSION ANALYSIS:

Table No. 2: Reliability Statistics

Cronbach's Alpha	N of Items
.89	54

Correlation and Regression analysis is carried out by using SPSS (17.0). Through this analysis, reliability of the data, development of relationship between independent and dependent variables, validity of the model and testing of hypotheses has been carried out. The reliability measures, in term of Cronbach's alpha, reached a recommended level of 0.89 as an indicator for adequate internal consistency.

The previous results that all different organizational variables are significantly correlated with employee's engagement, which significantly correlated with performance and satisfaction. In order to examine the probability of engagement using organizational variable and probability of outcomes (satisfaction and performance), a regression analysis was conducted which results shows in Table No.3.

TABLE No. 3: Correlations

		1	2	3	4	5	6	7	8	9	10
1. Leadership	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	192									
2. Training & Development	Pearson Correlation	.350	1								
	Sig. (2-tailed)	.086									
	N	192	192								
3. Appraisal & Motivation	Pearson Correlation	.739**	.636**	1							
	Sig. (2-tailed)	.004	.001								
	N	192	192	192							
4. Career Opportunity	Pearson Correlation	.641*	.523**	.574**	1						
	Sig. (2-tailed)	.000	.007	.001							
	N	192	192	192	192						
5. Compensation & Benefits	Pearson Correlation	.565**	.410**	.642**	.628**	1					
	Sig. (2-tailed)	.000	.042	.000	.000						

		1	2	3	4	5	6	7	8	9	10
	N	192	192	192	192	192					
6. Policies & Procedure	Pearson Correlation	.692**	.631**	.349**	.788**	.514**	1				
	Sig. (2-tailed)	.000	.001	.059	.000	.000					
	N	192	192	192	192	192	192				
7. Justice	Pearson Correlation	.688*	.651**	.655**	.604**	.675*	.628**	1			
	Sig. (2-tailed)	.021	.001	.507	.004	.000	.001				
	N	192	192	192	192	192	192	192			
8. Employee Engagement	Pearson Correlation	.642**	.574	.367**	.349**	.562**	.511	.655	1		
	Sig. (2-tailed)	.004	.991	.001	.001	.000	.059	.507			
	N	192	192	192	192	192	192	192	192		
9. Satisfaction	Pearson Correlation	.701**	.812	.700**	.744**	.699**	.738**	.807**	.681**	1	
	Sig. (2-tailed)	.000	.001	.000	.000	.000	.000	.000	.000		
	N	192	192	192	192	192	192	192	192	192	
10. Performance	Pearson Correlation	.720**	.781**	.710**	.733**	.674**	.734*	.743**	.709**	.807**	1
	Sig. (2-tailed)	.000	.000	.001	.000	.000	.000	.000	.000	.000	
	N	192	192	192	192	192	192	192	192	192	192
*. Correlation is significant at the 0.05 level (2-tailed).											
**. Correlation is significant at the 0.01 level (2-tailed).											

It can be concluded that organizational justice has the strongest predictive power of employee engagement; it can prove 65.5% of the total variances which have proved to be significant at 1 percent level of significance. Leadership was the second important predictor of employee engagement. It can clarify 64.2% of its total variances. Third predictor was training and development explains with 57.4% of its total variances. Compensation and benefits appear on Fourth position with 56.2% whereas policies and

procedure has on Fifth place with 51.1% of its total variances. Finally appraisal and motivation and career opportunity seems to have close predictive power of 36.7% and 34.9% of its total variances. In addition, employee engagement appears better predictor for satisfaction, where it can express 68.1% of its total variances whereas performance explains 70.9% of its total variances. It also indicates that there is strongest association between satisfaction and performance which have proved by 80.8% of its total variances.

TABLE No. 4 : Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.938 ^a	.879	.862	2.002	.036	6.298	1	12	.181	2.393
a. Predictors: (Constant): Leadership, Training & Development, Health & Safety, Appraisal & Motivation, Career Opportunity, Compensation & Benefit, Policies & Procedure, Justice.										
b. Dependent: Employee engagement										

behaviour and followers' attitude and behaviour related with engagement. It supported the existence of a positive relationship between effective leadership vision and employees in performing their jobs. Training and development (57.4%) and compensation and benefits (56.2%) ranked the third and four predictor of employee engagement. Followed by on fifth and sixth rank were policies and procedure and appraisal and motivation with 51.1% and 36.7% respectively. Career opportunities scored the least predicative factor influences employee engagement (34.9%). In addition employee engagement has a strong impact on satisfaction (68.1%) and performance (70.9%). Also it proves that a satisfied employees are more productive with score 70.7%.

These results are in mark with some issues of work policies and procedure and lack of practices and the working environment in Sugar industry in Kolhapur. Some of issues are – selection and recruitment of employees, low level of pay scale, performance values, proper training and development programs as well as facilities.

7. CONCLUSION

There is no generally accepted definition for employee engagement. However, there is growing consent among the authors that the construct is distinguishable from related concepts in management – employee commitment, job satisfaction and organizational behaviour. The literatures indicate that employee engagement is closely related linked with organizational performance. There is a need for academia to investigate the new philosophy and come up with clear concept and dimensions that will be used for measuring employee engagement justifying the importance of engagement. Employee engagement is a positive attitude held by employees towards the organization and its working environment. Results of various researches suggest their own strategies in order to keep employees engaged. In this article some of strategies were suggested – two way communication, appropriate training program, opportunities for development to keep employees, feedback system, incentive programs and socio-corporate culture. Engaged employees care about their organization and work to contribute towards its success. Employee engagement divers' performance by improving retention, loyalty, safety and ultimate

profitability. Therefore, today organizations should actively look forward to satisfy the expectations of employees and create an impact on the performance of employees, which helps to improve the organizational performance in competitive business environment.

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Through the regression analysis total 86.2 percent employee engagement (outcomes) depends upon the independent variables i.e. justice, leadership, training and development, compensation, policies and procedure, appraisal and motivation and career opportunity which shows in Table No.4

TABLE No.5 : Coefficient^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Leadership	.030	.103	.590	.288	.777
	Training & Development	.323	.163	.469	1.984	.064
	Appraisal & Motivation	.336	.190	.370	1.773	.094
	Career Opportunity	.270	.114	.365	2.377	.030
	Compensation & Benefits	.420	.172	.596	1.279	.218
	Polices & Procedure	.992	.151	.401	6.551	.000
	Justice	.421	.138	.668	2.112	.042
Dependent Variable: Employee engagement						

Leadership has strong association with employee engagement which indicates by 59% if effective leadership behaviour that supports engagement reflected self-awareness, transparency, and organization's standards of ethical behaviour. The analysis shows that hypothesis-1 stands true. **Training and development** associate with employee engagement by 46.9% if consistent with the scope of job resources as proposed in Job Demands - Resources. It provides employees with tools and resources, as knowledge, skills and competencies. This result shows Hypothesis 2 stands true. **Appraisal and motivation** have relation with employee engagement by 37%. This result shows that Hypothesis 3 holds true. Employee engagement and **Career opportunity** have association by 36.5%. This study indicates that Hypothesis 4 stands true. **Compensation and benefits** have strong relation with employee engagement which indicates by 59.6% if it involves both financial rewards, and non- financial benefits. It indicates that Hypothesis 5 stands true. **Policies and procedure** have association with employee engagement which shown by 40.1% if it create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employee. It indicates that Hypothesis 6 stands true. **Justice** has strong association with employee engagement by 66.8% if they have been treated fairly in their jobs and the ways in which those

determinations influence other work-related variables. The analysis shows that Hypothesis 7 stands true.

6. RESULT DISCUSSION

This study focuses the significance of employee engagement and classifies the key divers that have significant impact on it. It also shows that employee engagement arbitrates the relationship between independent variables and dependent outcomes within the Sugar industry in Kolhapur district. Therefore the association between engagement, satisfaction and performance is reliable with engagement variables and concern models.

Regression analysis indicates that justice has the highest predictive power (65.5%) and leadership (64.2%) is second highest predictor of employee engagement amongst the researched sample of Sugar industry in Kolhapur district. The culture of Kolhapur district is different than the other district of Maharashtra, has been characterized by social democracy. Peoples are having dual income mainly on agriculture and service. Employee perceive that life is built around a group, and way in which the justice and leader relates to the group is important. The social exchange theory argues that relationship at work evolve over time into trusting, loyal and commitment as long as all parties involved take by mutuality rules. Empirical leadership research has provided evidence that a positive relation exists between effective leader

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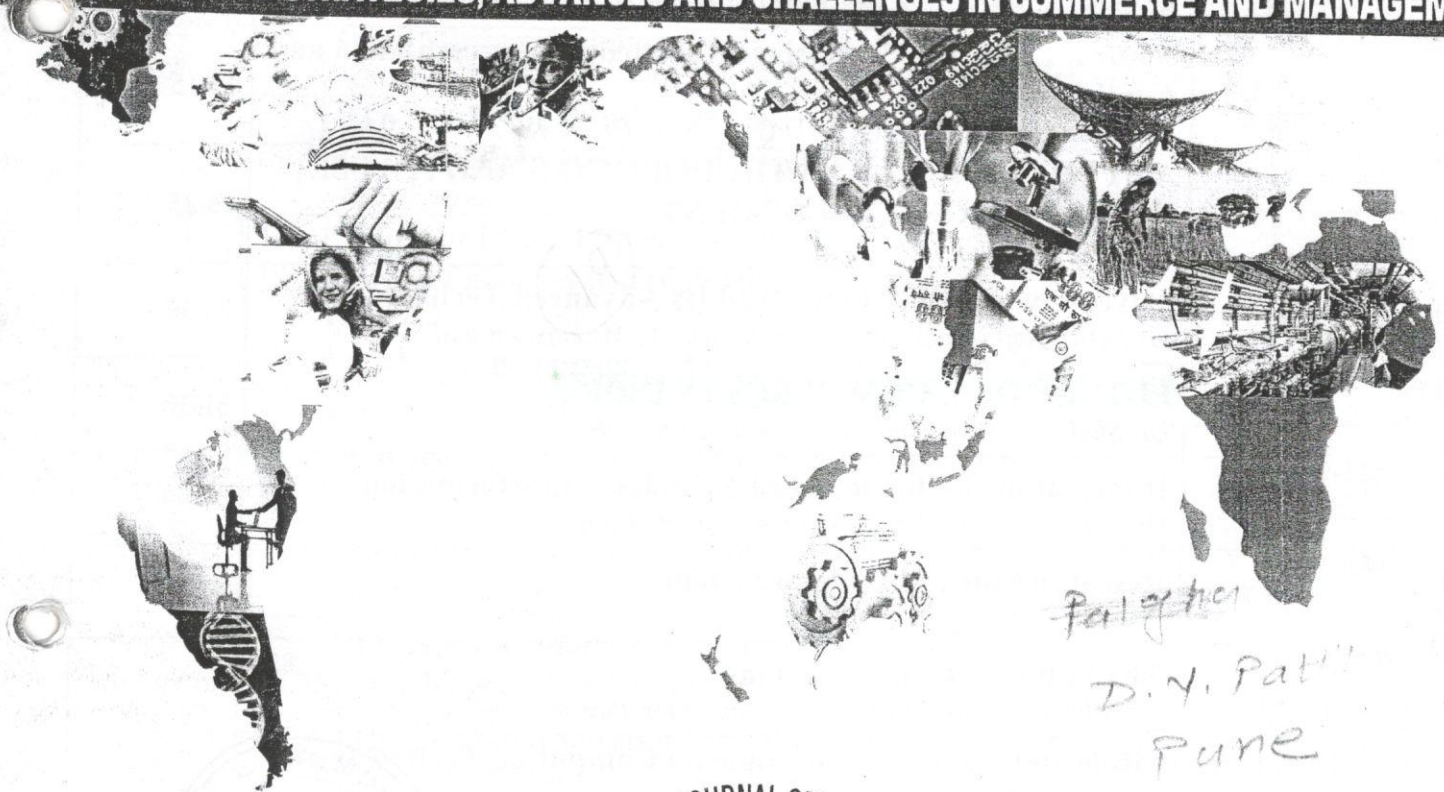
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FUTURE OF E-COMMERCE IN INDIA

¹Dr. Sudhir A. Atwadkar, ²Miss Umeshwari P. Patil

¹Principal, ²Assistant Professor

SNBP College of Arts Commerce Science & Management Studies, Morwadi, Pimpri, Pune.

Abstract:

The E-Commerce market is thriving and poised for robust growth in Asia. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. This paper gives an overview of the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also find out various factors that would be essential for future growth of Indian E-commerce. And represent the various opportunities for retailers, wholesalers, producers and for people. In this paper we found that the Overall E-Commerce will increase exponentially in coming years in the emerging market of India.

Key Words: Electronic, Commerce Opportunities, Market.

1) Introduction:

The E-commerce Industry in India has come a long way since its early days. The market has matured and new players have entered the market space. In the present dynamic scenario, e-commerce market in the B2C space is growing in demand as well as in the array of services. The transition to online purchasing from traditional purchasing is taking a long time in the Indian market. E commerce includes not only buying and selling goods over Internet, but also various business processes within individual organizations that support the goal. As with e-commerce, e-business (electronic business) also has a number of different definitions and is used in a number of different contexts.

Concepts & Definitions:

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact." A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

Different Ways of E Commerce: The major different types of e-commerce are: business-to-business (B2B); business to- consumer (B2C); business-to-government (B2G); consumer-to-consumer (C2C); and mobile commerce (m-commerce).

2) E-Commerce in India:

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non-resident Indians. It provided a wealth of Indian-related business news a reach engine, e-commerce and web solution services. The past 2 years have seen a rise in the number of companies embracing e-commerce technologies and the internet in India.



Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues.

The web communities built around these portal sites with content have been effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major in this services being Rediff.com and the net and India plaza with started a shopping section after In spite of RBI regulation low internet usage e-commerce sites have popped up everywhere hawking things like groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

E-commerce in India to explode in 2012, Indian e-shoppers will have a good time getting great deals and services online. A recent pan-India report released by Com Score Inc reveals that online shopping in India has touched a growth rate of 18 per cent and is only likely to grow further. The report found that nearly 60 per cent of citizens in India visited a retail site in November 2011, with the number of online shoppers increasing by 18 per cent in the past year. E-commerce can become an integral part of sales strategy while it is one of the cheapest medium to reach out the new markets, if implemented successfully, it offer a smart way of expansion & doing e-commerce attribute to the successful implementation to carefully understanding the products & services, customers and the business process, easy -to-use system to extend the business on the web. A new report by the Boston Consulting Group says online retail in India could be a \$84-billion industry by 2016 — more than 10 times its worth in 2010 — and will account for 4.5 per cent of total retail. The e-commerce platforms

Country	Sales in \$ Billion	
	2012	2016
India	1.6	8.8
Australia	23.2	35.4
Japan	63.9	97.6
China	169.4	356.1

Source: Forrester

maximize its reach to the potential customers and provide them with a convenient, satisfying & secure shopping experience.

Segments that recorded growth

Online channels are playing an important role of connecting with consumers of unexplored markets. The journey of online spending that started with an increasing number of buyers of travel and holiday plans in the last decade has now extended to an increase in spends on household appliances and luxury products. While segments like apparel and luxury products have registered unprecedented

growth in 2011, jeweler, electronic appliances and hardware products have shown promising growth trends as well. "Indian consumers are showing greater appetite to transact online, fuelling the e-commerce boom," said Anuj Kumar, CEO, Affle. The report also found that coupon sites are rapidly gaining popularity, with 16.5 per cent of the Indian online population visiting the category in November 2011 – 27.2 million online users in India aged 15 and older accessed the retail category from a home or work computer, an increase of 18 per cent from the previous year, as consumers continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through active marketing campaigns.

Increase in shoppers of the coupon sites indicate that pricing is playing the role of catalyst in bringing more and more shoppers online. Many of these shoppers have shown affinity towards affordable online goods, which was priced lesser than the market price. Some of the largest retail subcategories revealed that coupons category was the largest with 7.6 million visitors as consumers rapidly adopt daily deal sites. Consumer electronics ranked next with 7.1 million visitors, growing at



12 per cent over the previous year, while 5.8 million online users visited comparison shopping sites, an increase of 25 per cent from the previous year.

3) Future of E-Commerce In India:

India is developing rapidly and if development is to be measured, how can we ignore the role of e-commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E-commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods. Another category that is gradually making its mark is the local commerce (couponing, yellow pages, classifieds etc.) which offers significant overlaps with E-commerce. The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too.

The 2nd category of physical goods is the one currently gaining considerable attention, thanks to the hype created by new startups/stores being launched daily. Leaders in this division are Flipkart, Infibeam, Homeshop18, Indiatimes, Naaptol, Letsbuy etc. each of which offers everything from mobile phones to pet food.

The 3rd and final category of virtual goods and gift vouchers like online music, software's, movies, games, Taj Hotel gift vouchers, Reebok gift vouchers, Pizza Hut gift vouchers etc. have been relatively lagging behind in India as compared to Europe and America, primarily due to piracy concerns and the social perspective of Indians. But the scenario is expected to change with the digital downloads segment expected to grow in the Indian E-commerce market due to the explosion of mobile devices and the services available over the Internet at special discounts.

Certain unique attributes of the E-commerce industry in India such as cash on delivery mode of payment and direct imports that lower costs considerably are probably going to bring about a speedy growth in this industry in years to come. According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16. The report, titled "Asia Pacific Online Retail Forecast, 2011 To 2016," has been issued by Forrester Research Inc. Analyst Zia Daniell Wigder, with Steven Noble, Vikram Sehgal and Lily Varon.

4) India's Prospects In E-Commerce:

➤ **Opportunities For Retailers:** A retailer can save his existence by linking his business with the online distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.



➤ **Opportunities For Wholesalers/Distributor:** In the world of E-commerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line.

➤ **Opportunity For Producers:** Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity.

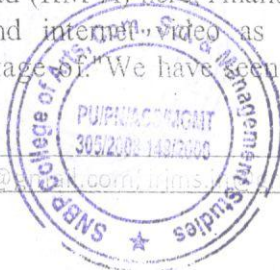
➤ **Opportunity For People:** As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

5) Essential factors for growth of E-Commerce in India:

- Customer convenience: By providing Cash on delivery payment option service to customers.
- Replacement guarantee: Should be Offers 30 day replacement guarantee to their customers.
- Reach: Enabling mobile-capable sites and supporting M-Commerce services.
- Location based services: Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect
- Multiple payment option: standard credit cards, debit cards and bank payments option should be there.
- Right content: Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.
- Price comparison: Providers offering instant price comparison are highly popular amongst the price conscious customers.
- Shipment option: Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.
- Logistical challenges: In India, the geographical spread throws logistical challenges. The kind of products being offered by providers should determine the logistics planning.
- Legal challenges: There should be legal requirement of generating invoices for online transactions.
- Quick Service: Timely service provided by the company.
- Terms and condition: T & C should be clear & realistic.
- Quality: The product quality should be same as shown on the portal.
- Customer care centre: A dedicated 24/7 customer care centre should be there.

Experts View About Future Growth of E-Commerce In India:

Leading e-commerce portals in the country include Flipkart.com, Futurebazaar.com, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starcj.com, Amazon.com, Fashionandyou.com, Rediffshopping.com., inkfruit.com, myntra.com, futurebazaar.com, yebhi.com, zoomin.com and hushbabies.com. Internet on mobile phones and e-commerce are set to lead the trend in the IT sector, Google India MD Rajan Anand said on June 2012. Speaking at the 13th annual Confluence at the Indian Institute of Management, Ahmedabad (IIM-A) here, Anandan identified trends such as mobile internet, social networking, e-commerce and internet video as being the most important trends for any technology company to take advantage of. We have seen 80-90 per cent growth in traffic month-on-





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month over the last three quarters. We have been gradually increasing the pace of hiring and over the next six months, we will add about 500 people," Snapdeal Chief Executive Director Kunal Behl said.

"With the growing e-commerce industry in the country and major international players entering the market, the number of job offers would certainly look up," e-commerce firm Homeshop18.com CEO and founder Sundeep Malhotra said. The online retail segment is expected to report strong growth in the coming years owing to growing Internet consumer base thanks to increasing use of smartphones, laptops/PCs and availability of Internet in the remotest part of the country. "e-commerce space is a booming space as Internet audience are likely to double in the next two-three years and this industry will require talent from various sectors like technology, product, analytics, sourcing, general management talent, merchandising and marketing," online retailer Fashionandyou.com co-founder and CEO Pearl Uppal said.

Another e-commerce player HomeShop18.com has grown by over 70 per cent in headcount terms in 2011 over the last year and is further poised to grow by a similar percentage this year, including an augmentation of the technology team. Meanwhile, the e-commerce sector is fast hiring the best talent available in the country and this placement season saw e-commerce companies recruiting big numbers at premier institutions like the Indian Institutes of Management (IIMs) and Indian Institute of Technology (IITs). According to a report by industry body Assocham, online retail segment is likely to be worth Rs 7,000 crore by 2015 due to rising broadband availability and increasing Internet penetration, from the Rs 2,000 crore at present. It is growing at an annual rate of 35 per cent.

7) Conclusion:

The future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on portal, dedicated 24/7 customer care centre should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity. As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits. People could find various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.





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Information Technology Led to Global Transformation

¹Dr. Sudhir A. Atwadkar, ²Miss Umeshwari P. Patil

¹Principal, ²Assistant Professor

SNBP College of Arts Commerce Science & Management Studies, Morwadi, Pimpri, Pune.

Abstract:

Polity refers to a social formation, of which state is but apart. The nation-state based polity is undergoing a transformation due to the imposing nature of ICTs led globalization. The states as a collective entity have no escape from the pushing impacts of digital technologies that have converted the world population in to a single community with opportunities of instant connectivity, and dissemination of information through bullet-theory of injecting facts and figures into the mind of every member of global civil society. Several causes of this transformation of polity can be extracted from the intellectual discourses available in the existing research, predicting the consequences with tangible and explicit demonstrations of the same in the real world settings. The objective of this article is to juxtapose the diversity of research-findings into a compact piece of knowledge and present a theoretical model to comprehend this transformation and emergence of global polity.

Keywords: Information and Communication Technologies (ICTs), New Public Sphere (NPS), Globalization, Polity.

Introduction:

Polity is defined as a 'form of politically organized unit'. The term is used as synonymous for 'state' and 'government' in particular contexts. However, Aristotle used the term 'polity' to refer to a regime or rule. Regime primarily refers to norms, principles and procedures (Kraner, 1983), meant to form a socio-political whole, having various components, the relationship among these components and the fundamental norms governing these relationships. 'Power' remains the major concern in this relationship. The norms and principles of a polity guarantee responsible exercise of power (Bruyn, 2005). Thus 'polity' does not necessarily mean 'state', rather it refers to a social formation, a larger whole in which 'state' is but a part, joined by other actors in this power structure. The 'state' denotes a political society/sphere (Gramsci, 1971), separate from market and family- the realm of private. Between the two lies 'civil society' which mediates on behalf of the citizens with 'state' and 'market'. Market, though part of the private sphere has the potential to exploit the public by aligning with the state (Lipschutz, 2007). 'Public sphere' enables civil society for this mediation by supplying a powerful medium (Habermas, 1974) and completes the social whole. So the three overlapping structures of power construct the whole that may be called as nation-state polity. These three institutions are 'state', 'civil society' and 'public sphere'.

Historically, the 'state' emerged because it then offered the best remedies for then existing problems (Beaulac, 2004). Travelling back into the history, the temporal and spatial dynamics for the rise of state becomes clear (Ferguson, 2006; Ebo, 2007). The state restored peace both internally and externally, facilitated growing market, established a consistent system of law and justice, and provided an alternative loyalty to the ethnic and religious split in Europe at that time (Mossberger et al., 2007). Undoubtedly, the public sphere is an unavoidable component of a sociopolitical organization. It is the space where people come together as citizens and pronounce their autonomous views to influence the political theories and practices in the society (Habermas, 1974). Civil society is the organized manifestation of these views and the relationship between the state and civil society is the basis of



democracy (O'Brien, 1999). Society emerges as a correlate of the state, meaning that it appears as a limit to state/government and as something to which the public authorities have to attend (Foucault, 2007:349). Civil society keeps state attached with its subject by shaping and channeling public debates over diverse ideas and conflicting interests (Castells, 2008).

The state has remained the most powerful component of polity at both domestic and international levels for almost two centuries (Waltz, 1979). This typical Western polity model was superimposed in other civilizations over other kinds of polities, identities, as well as loyalties (Ferguson, 2006). However, the contemporary wave of ICTs led globalization has profound impact on the nation- state based polity (Khan et al., 2012). Communication tools have always been significant for the evolution of civilization and globalization, for these facilitated exchanges across nations (McNeil, 1998; Denmark, 2000; Fernandez-Armesto, 2002). International exchanges in science, technology and culture have generally furthered the cause of civilization and globalization for certain material and cultural ends. Technologies, aspirations and communications-the stimulants for exchanges have been the significant determinants of global history in the past and are expected to continue this role in future as well (Tehrani, 2004). An information-based civilization has emerged from the traditional industrial societies (Tehrani, 1990). Different labels have been used to identify it like 'Post-Industrial', 'Information', 'Knowledge', 'Postmodern' and 'Network' society. Modern ICTs offer variety of powerful and inexpensive communication tools and services. Over the last decade, social media have become an inevitable instrument for civil society worldwide (Hovland, 2005). Since the advent of the Internet in early 1990s, the world's networked population has risen from the low millions to the low billions (Crack, 2007). These highspeed communication technologies have rendered the world virtually borderless (Chanda, 2008: 123). The users of these technologies include: regular citizens, activists, nongovernmental organizations, telecommunications firms, software providers, governments etc (Shirky, 2011).

Owing to these dynamics, the territory based polity is undergoing transformation. The structures of power are moving from domestic to transnational levels (Sassen, 1996). Given these revolutionary transformations, some of the scholars argue that power is slipping away from the state to a variety of non-state actors (Held et al., 1999).

Nation-state based polity and globalization:

Without operating as a purely political process, globalization changes the political foundations of the world order (Clark, 1999). Globalization expedites political processes and sensitizes everybody to their outcomes. Accelerating communication, information flows, and exchange, the globalization structures a new environment for international to operate (Kapitonenko, 2009). Globalization professes the existence of a single sociopolitical space on a global scale, which is attributed to the gradual dissolution of boundaries due to intensified exchange across boundaries through increased interconnectedness between otherwise territorially bounded and distinct societies (Bartelson, 2009; Acosta and González, 2010).

The geography has now become a question of association and connectivity and not the space (Latour, 1993). Likewise, 'globalization' means more than just internationalization as it refers to a new quality of social arrangements (Held, 2003). Transnational movements of people, goods, information and capital have generated a qualitative shift from the systems of states to a new world that knows little about the difference between domestic and international spheres (Luke 1993; Ferguson and Mansbach, 1996, 2004). The bagginess of globalized world itself speeds-up the dissolution of both bounded and autonomous nation-states, territorial geographies, and their identities (Khan et al., 2011b).





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Contemporary global polity resembles an intricate texture in which decision making centers are dispersed between and concentrated on multiple layers of political order as they are dispersed and concentrated geographically where some regions play more significant role than others (Katzenstein, 2005). Nation-state capacities for collective decision making as its central function have partly detached from its institutional structures within and between nation-states, and have been relocated to the transnational level where they have been institutionally transformed or even restructured in new institutional designs (Albert, 2007).

Even on national issues, social movements and groups these days strive to go beyond the nation-state, to connect with likeminded groups (Human Rights Watch or Amnesty International) in other countries, or their global umbrella organizations, to address demands not just to their own governments but also to foreign governments and international institutions (Kaldor, 2007). Globalization is creating a platform for the transformations in the role of states in world politics. However, by influencing internal political and social systems, it weakens state's sovereignty in international relations (Kapitonenko, 2009). Thus the dominant character of 'state' in nation-state based polity has been challenged, giving way to redefinition of power players at all levels.

Dynamics of transformation:

The 21st century is witnessing globalized human activities ranging from economic transactions, politics and culture, to warfare. These activities flow across the traditional barriers of state creating a new world entitled by Paul Friedman as a flat world (Friedman, 2005). Globalization is not superimposed on the society, individuals, networks and civil society; rather, it is created and shaped by individuals and groups every day (Drache, 2008). The transformation of polity has been brought about by a number of factors.

Globalization:

Globalization is a dynamic process which characterizes a transformation in the spatial organization of social relations and transactions thereby generating trans-continental or interregional flows and networks of interaction and exercise of power (Held et al., 1999:16). The salient attributes of globalization are its social basis, economic and political dimensions, and its potential of integrating a range of so far nationally demarcated activities across state boundaries (Beeson, 2003). The transitions in the mode of production of hunting and gathering societies to agrarian, commercial, manufacturing and information societies are rather well known. Each transition involved substantial transformations in the political, economic, and social systems (Tehrani, 2004).

Contemporary transformations characterized by globalization do not refer to the end of politics rather its relocation somewhere else (Toffler, 1991). The national or international dualism no more determines the structure of opportunities for political activities instead it is now located in the 'global' platform. Global politics have turned into global domestic politics, which deprive national politics of their boundaries and foundations (Beck, 2006:249). This process shapes a social system with the functional capacity to work as a unit globally in real or chosen time. Capacity here refers to technological capacity, institutional capacity (i.e. deregulation, liberalization, privatization), and organizational capacity (Castells, 2008).

Eroding State Sovereignty:

Apparently, the decline of state-power has driven the diffusion of authority away from national governments and created the problems of non-authority and un-governance (Strange, 1996:14). Erosion of state sovereignty is propelled by internal social developments, mushrooming of new ideologies and the rise of non-state actors, on the national and transnational level (Kreijen, 2002).





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This erosion is generally considered as a consequence of globalization (Beeson, 2003). The issues of sovereignty and national security have emerged as serious problems for the whole world (Chanda, 2008). Globalization provides a new context for these developments thereby making the state-centered foreign policy subservient to global trends (Kapitonenko, 2009).

One of the side effects of globalization is that those states that own the most developed economies and are considered torchbearers of globalization are actually fostering a system that can be detrimental to the sovereignty of their own state (Strange, 1996). This is the most colossal change in the world order setting since the Peace of Westphalia that concluded the war of thirty years. According to its provisions, sovereign states became the core elements of the international system (Jackson and Owen, 2005). They substituted a variety of international actors like the Pope, the Emperor, dynasties, and the like. Thus, starting from the mid-17th century, international relations have been predominantly inter-state but this epoch of history seems to be over (Khan et al., 2012).

Information Technologies:

ICT refers to computers, software, networks, satellite links and related systems that enable users to access, analyze, create, exchange and use data, information, and knowledge in unprecedented ways. The terms 'ICT' and the 'internet' though not synonymous but are almost interchangeably used (Beebe, 2004). It is better to comprehend ICT in perspective of creating a new set of relationships and spaces, an agora rather than as a high-tech tool. It is one more global field for competition over the distribution of resources and information and the most importantly, power (Van Dijk, 2006).

New technologies not only provide information but also tools that have the potential to extend the role of the citizens in the social and political space. The mushroom growth of online political groups and activism certainly depict political uses of the internet (Bowen, 1996; Browning, 1996). The internet and allied technologies by their nature can supplement opportunities for self-expression and foster civic activities (Castells, 2008).

ICTs can easily merge into each other to raise connectivity and accessibility (Kleinberg, 2008). ICTs by enabling a horizontal network of global communication provide a variety of tools for organizing and conducting public debate and have the potential to raise collective decision making (Nawaz, 2012).

ICTs have opened new avenues for governance (i.e. e-governance) but on the contrary they have strengthened the capacities of civil society by facilitating vibrant and extensive public sphere (Dahlgren, 2005) and thus are facilitating transformation of polity (Crack, 2008; Castells, 2008). ICTs enable political actions with utter disregard to territory, and by fostering public spheres and fresh social movements (Min, 2010). The Internet has evolved to become a major hub of entertainment, education, and community (Bartle, 2006:31) and it has a bright future in the field of business, research and politics (Balkin and Noveck, 2006). ICTs can help bridge the trust deficit among the nations by information exchange facilities and thus have the potential to ameliorate misperception and, ultimately bring more security, harmony and less violence (Kapitonenko, 2009). These features of ICTs show the social, political and economic ramifications of ICTs.

Emergence of Transnational Businesses:

The developments in information technology along with the policies of deregulation and market liberalization across the globe have led to intense economic interdependence (Stopford, 1998), and the consequent externalities resulted in the sprouting of non-state actors of global character like TNCs. TNCs have steadily turned out to be the icons of new power structures in the global economy.

These corporations work across state borders to pursue their own interests' and not of the state they officially belong to (Kapitonenko, 2009). Some see them as hardnosed exploiters, but others view them as torchbearers of prosperity (Mazlish, 2012). TNCs have developed global networks of production and marketing that have transformed economic geography (Dicken, 2003). Traders, along with preachers, adventurers, and warriors have always connected dispersed human communities and civilizations, and paved the way for the emergence of the interconnected society we now label globalized (Chanda, 2008). The emergence of TNCs poses a challenge to the conventional understanding that international politics is determined by states in the formal Westphalian state system (Deibert, 1997). Moreover they further blur the distinction between the domestic and the international, challenge the notion of 'state' as the ultimate authority at home, and reduce the significance of access to territory (Kobrin, 2001). TNCs are prime cause and result of globalization (Mazlish, 2012) and as a result major stimulant for transformation of polity.

Rise of Mundane Issues:

The intensified connectivity, interdependence and historically matchless production of commodities have resulted in variety of mundane issues, i.e. political, economic, social, biological and environmental (Crack, 2007). State seems incapable for dealing with such modern issues like climate change, global terrorism etc. The rising incapacities of state pave the way for the involvement of other actors for resolving these issues. Moreover this also reflects a gulf between the spaces where these mundane issues emerge (global) and the spheres of power where these issues are dealt with (nation-state). This also provides the rationale for the transformation of polity from nation-state (local) to global realm (Castells, 2008).

Emerging global polity:

ICTs led globalization has profound impact on the nation-state based polity amounting to a transformation. This transformation has shifted the centers of power from local to global level, and has been compelling to redefine the conditions of interplay among the constituent components of the new polity. The argument in the above section refers to the fact that 'state' capacity to deal with the contemporary issues has decreased and that the new actors have come forth to fill the gap (Kobrin, 2001). Civil society and public sphere, comparatively weaker elements of nation-state based polity, have now become powerful and have extended beyond the nation-state boundaries (Kapitonenko, 2009; Khan et al., 2011b).

So the emergent political structure at global level reflects three major components. A new public sphere (NPS) which is transnational in nature and is anchored around global communication networks. The second component of this political structure is 'global' civil society which is an organized expression of the norms, values and interests of global society (Keane, 2003). A network state is the third component of the global polity which is reflected in the emerging global governance structures (Castells, 2008). Figure 1 illustrates the theoretical model of the transformation of polity.

Global civil society:

Civil society is generally referred to as a domain of social belief and action separate from politics and economics that is composed of individuals, families, groups, movements and organizations beyond the grasp of the state-authority and selfishness of the market (Lipschutz, 2007). Voluntary realm and the public sphere of discourse are shifting from the mass-media to internet, e-mails (Castells, 2008). Most appropriate to





the global setting, networks can shape social associations without the constraints of space or co-presence (Khan et al., 2011a).

Civil societies have generally been defined at the level of nation-state where group identity derives from citizenship in a territorial state (Schwartz, 2003). However, today, transnational networks are facilitating civic engagements across the borders of territorial state. This shows that shared interests can also play the role of binding agent like shared geography or identity (Khan et al., 2012).

The contemporary civil society is the arena where individual negotiates a social contract not only with the state but also with layers of institutions at the local, national, regional and global levels. Moreover, it is not just an arena made of progressive cosmopolitan ideas; it also includes national and religious militants, corporate lobby groups and a multiplicity of opinions (Keane, 2003). Many term this transnational version of civil society as global civil society which mediates with state, global governance structures and corporations for progressive ends (Kaldor, 2007).

Global Public Sphere:

Prima facie, there seems a shift from a public sphere constituted around the national institution of territory-based societies to a public sphere anchored around the transnational media system (El Nawawy and Iskander, 2002; Paterson and Sreberny, 2004). The contemporary media comprises of traditional media like TV, radio, and the print media, as well as a diversity of modern multimedia and communication systems like the Internet and horizontal networks (Dahlgren, 2005; Tremayne, 2007; Bennett, 2008). The new public sphere is a multi-discursive political space, a global sphere of mediation, with no center or periphery. The agenda setting and contexts are shaped and mediated by autonomously operating media systems (Castells, 2008) and the citizens themselves (Khan et al., 2012).

The international citizens due to their transnational activism facilitated by ICTs are shaping 'digital publics'. ICTs convert an ordinary citizen into international citizen by providing him/her unlimited social possibility to innovate and form discursive communities of choice. Global activism reflected in signing petitions, starting boycotts, creating art, breaking copyright laws, file-sharing, blogging, and engaging in elite challenging activities (Drache, 2008:63). These 'digital publics' are no longer confined to their self-constructed silos. Instead they are talking to one another, and affirming to voice their opinions (Khan et al., 2011a).

It is well recognized that everything affects everything else and different campaigns do compete rather they reinforce each other (Neale, 2002:105). It is evident that informatic civilization is generating a new global consciousness, which is based on an increasing awareness of the global ecological and economic interdependence, clashes of culture and the need for dialogue for democracy (Tehrani, 2004). In this age of communications ordinary citizens are more informed than they used to be and are demanding more of the state, at a time when most states and their leaders are seemingly unable to provide (Ferguson, 2006). Thus, the NPS with its revitalized 'publicans' is facilitating global civil society with the required medium to mediate with the layers of political authorities (Castells, 2008).

Rise of Global Governance:

A single global political authority is not visible at the global arena however; there are millions of control mechanisms for the management of transnational policies (Rose, 1995:9). These mechanisms range from the primary to the embedded, from informal mode of consultation to formal decision making arrangements. The planet is ordered according to certain





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regimes, and norms that enjoy widespread legitimacy (Crack, 2007). They cover a range of current issues, for example, climate change; fighting terrorism and managing global economy. This rising institutionalism denotes a transformation from national government to global governance (Khan et al., 2012).

The emergence of global governance matches the organizational shift from the mass society to a network society (Castells, 1996). State governments use the typical structural characteristics of a mass society where authority is centralized in a hierarchical and vertically integrated bureaucracy. On the contrary, global governance networks are hierarchical and horizontally integrated. Some centers in the network are more influential than others because of their international legal status, legitimacy and resources (Crack, 2007). Globalization has been with us for centuries however, efforts to govern the interconnections produced by it are not very old (Chanda, 2008; Sloterdijk, 2009:33) and this is the reason for the immaturity of global governance institutions. Nevertheless, relocation of state authorities in the global institutions is reflected in the increasingly emerging economic, political, security, and ecological institutions (Mazlish, 2012). Many scholars have pointed to the fact that this transformation is initiated by economic forces that are seeking higher profits in the global space, and is facilitated by the rapid development of technologies in the field of communication, transportation, media and production (Wriston 1992). The primary characteristic of globalization is that geographical distance becomes irrelevant and that territorial boundaries become less significant (Scholte, 2000). It is contentious that whether the establishment of global governance institutions is also accompanied by trends of formation of polity on a global level (Zubair et al., 2011b).

Most theories of international relations still assume a nation-state context in which territorially bounded political societies interact in the absence of centralized authority (Bartelson, 2009). In order to make sense of contemporary global developments, state-centric theories of international relations needs to be abandoned in favor of a planetary or global vantage point (Bartelson, 2010). It can be argued that 'globality' is being constituted by arising common consciousness of human society on a planetary scale through an increasing awareness of the human and social relations as the largest constitutive framework of all relations (Shaw, 2000). Furthermore, there is growing awareness and consideration of the argument that globalization is not simply a bottom-up process leading to the emergence of global networks and structures that link preexistent institutions on sub-global levels: the concept of society on a global scale customarily implies that there is something like a planetary social whole in a meaningful analytical sense as well (Albert, 2007).

The state is increasingly enfeebled today (Ferguson, 2006). It finds itself bounded by competitors offering alternative rules and norms for global politics. The monopoly of state in international politics is over; interstate relations are turning into transnational realm. These transformations are marked by the notion of a increasing interdependence of the various international actors, and globalization reinforces this interdependence (Kapitonenko, 2009). Global economic and cultural forces are increasingly becoming successful. Furthermore, the communication technologies such as the World Wide Web have contracted the world so closely that more than half of the top hundred economic entities have become more homogenous and more connected to than ever before (Camilleri and Falk, 1992). Thus, the rise of transnational actors and a global civil society have transformed the inter-state system and directly affected the construct of sovereignty (Deibert, 1997). They have further distorted the line between the domestic and the international, compromised the idea of states as the ultimate authority, limited the significance of access to territory, and raised questions about the significance of actors in the global system (Kobrin, 2001).



Thus, the rise of new global sociopolitical realm, different from the Westphalian state system can be envisioned. It exists in transnational spatial formations, a new social whole fastened in norms and aspiration as well as institutional networks beyond the states (Ruggie, 2004:519). However, globalization has not led to the elimination of states rather states are a product of globalization and of actions of individuals and groups (Bayart, 2008). Globalization is expected to create a situation where states will continue to coexist but with global forms of authority.

Conclusions:

The nation-state polity is being transformed into a planetary polity. The transformed polity is reflecting itself in global civil society, global public sphere and institutions of global governance. This does not necessarily suggest an extension of nation-state based institutions and concepts into their global equivalents rather the 'globality' itself is a new social whole on planetary scale. ICTs led globalization is creating an environment in which sovereignty of the state is eroding and getting relocated in transnational realm. The state is increasingly getting enfeebled and giving way to transnational actors for its incapacities to resolve the mundane issues of twenty first century. Civil society is rapidly getting strengthened and expanded beyond state territories. ICTs enabled NPS is boosting the powers of global civil society actors striving to establish networks of civic societies globally. Obviously, a global community requires a uniform set of ethos as the base on which it agrees therefore as the world gets globalized, there is increasing demand to widen the scope of a common ethical code. However, the contemporary platforms and processes to deliberate on these issues are not quite inclusive and democratic. With regard to issues on human rights, democratic freedoms, environmental challenges, business ethics and warfare, there is a need to consider the shared global values and their transformation into rules about enforcement and inspection. Philosophers, scholars and policy-makers need to ponder upon and research those issues.

However, in the global polity, political authorities at global level are far from clear. The need for effective global governance has emerged from the mundane issues like global environmental, financial and security crises. The globalized world is in need of sophisticated and inclusive mechanism of global governance than what it has at the moment. Furthermore, effective economic and political governance at global level requires the involvement of governments, private sector, a broad range of civil society groups and international organizations like global NGOs. The technological and cultural exchanges have always enhanced human civilization and ways of governance, and it is expected that ICTs enabled civilization would also foster effective governance structures at global level.

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INFORMATION TECHNOLOGY LED TO GLOBAL TRANSFORMATION

Umeshwari P. Patil

Assistant Professor, SNBP College of Arts Commerce Science & Management Studies, Pune.

Dr. Sudhir A. Atwadkar

Principal, SNBP College of Arts Commerce Science & Management Studies, Pune.

Polity refers to a social formation, of which state is but apart. The nation-state based polity is undergoing a transformation due to the imposing nature of ICTs led globalization. The states as a collective entity have no escape from the pushing impacts of digital technologies that have converted the world population into a single community with opportunities of instant connectivity, and dissemination of information through bullet-theory of infecting facts and figures into the mind of every member of global civil society. Several causes of this transformation of polity can be extracted from the intellectual discourses available in the existing research, predicting the consequences with tangible and explicit demonstrations of the same in the real world settings. The objective of this article is to juxtapose the diversity of research-findings into a compact piece of knowledge and present a theoretical model to comprehend this transformation and emergence of global polity.

Keywords: Information and Communication Technologies (ICTs), New Public Sphere (NPS), Globalization, Polity.

INTRODUCTION:

Polity is defined as a 'form of politically organized unit'. The term is used as synonymous for 'state' and 'government' in particular contexts. However, Aristotle used the term 'polity' to refer to a regime or rule. Regime primarily refers to norms, principles and procedures (Kranser, 1983), meant to form a socio-political whole, having various components, the relationship among these components and the fundamental norms governing these relationships. 'Power' remains the major concern in this relationship. The norms and principles of a polity guarantee responsible exercise of power (Bruyn, 2005). Thus 'polity' does not necessarily mean 'state', rather it refers to a social formation, a larger whole in which 'state' is but a part, joined by other actors in this power structure. The 'state' denotes a political society/sphere (Gramsci, 1971), separate from market and family- the realm of private. Between the two lies 'civil society' which mediates on behalf of the citizens with 'state' and 'market'. Market, though part of the private sphere has the potential to exploit the public by aligning with the state (Lipschutz, 2007). 'Public sphere' enables civil society for this mediation by supplying a powerful medium (Habermas, 1974) and completes the social whole. So the three overlapping structures of power construct the whole that may be called as nation-state polity. These three institutions are 'state', 'civil society' and 'public sphere'.

Historically, the 'state' emerged because it then offered the best remedies for then existing problems (Beaulac, 2004). Travelling back into the history, the temporal and spatial dynamics for the rise of state becomes clear (Ferguson, 2006; Ebo, 2007). The state restored peace both internally and externally, facilitated growing

market, established a consistent system of law and justice, and provided an alternative loyalty to the ethnic and religious split in Europe at that time (Mossberger et al., 2007).

Undoubtedly, the public sphere is an unavoidable component of a socio-political organization. It is the space where people come together as citizens and pronounce their autonomous views to influence the political theories and practices in the society (Habermas, 1974). Civil society is the organized manifestation of these views and the relationship between the state and civil society is the basis of democracy (O'Brien, 1999). Society emerges as a correlate of the state, meaning that it appears as a limit to state/government and as something to which the public authorities have to attend (Foucault, 2007:349). Civil society keeps state attached with its subject by shaping and channeling public debates over diverse ideas and conflicting interests (Castells, 2008).

The state has remained the most powerful component of polity at both domestic and international levels for almost two centuries (Waltz, 1979). This typical Western polity model was superimposed in other civilizations over other kinds of polities, identities, as well as loyalties (Ferguson, 2006). However, the contemporary wave of ICTs led globalization has profound impact on the nation-state based polity (Khan et al., 2012).

Communication tools have always been significant for the evolution of civilization and globalization, for these facilitated exchanges across nations (McNeil, 1998; Denmark, 2003; Fernandez-Armesto, 2002). International exchanges in science, technology and culture have generally furthered the cause of civilization and globalization for certain material and cultural ends. Technologies, aspirations and communications-the stimulants for exchanges have been the significant determinants of global history in the past and are expected to continue this role in future as well (Tehrani, 2004).

An information-based civilization has emerged from the traditional industrial societies (Tehrani, 1990). Different labels have been used to identify it like 'Post-Industrial',

'Information', 'Knowledge', 'Postmodern' and 'Network' society. Modern ICTs offer variety of powerful and inexpensive communication tools and services. Over the last decade, social media have become an inevitable instrument for civil society worldwide (Hovland, 2005). Since the advent of the Internet in early 1990s, the world's networked population has risen from the low millions to the low billions (Crack, 2007). These high speed communication technologies have rendered the world virtually borderless (Chanda, 2008: 123). The users of these technologies include: regular citizens, activists, non-governmental organizations, telecommunications firms, software providers, governments etc (Shirky, 2011).

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Owing to these dynamics, the territory based polity is undergoing transformation. The structures of power are moving from domestic to transnational levels (Sassen, 1996). Given these revolutionary transformations, some of the scholars argue that power is slipping away from the state to a variety of non-state actors (Held et al., 1999).

Nation-state based polity and globalization:

Without operating as a purely political process, globalization changes the political foundations of the world order (Clark, 1999). Globalization expedites political processes and sensitizes everybody to their outcomes. Accelerating communication, information flows, and exchange, the globalization structures a new environment for international to operate (Kapitonenko, 2009). Globalization professes the existence of a single socio-political space on a global scale, which is attributed to the gradual dissolution of boundaries due to intensified exchange across boundaries through increased interconnectedness between otherwise territorially bounded and distinct societies (Bartelson, 2009; Acosta and González, 2010). The geography has now become a question of association and connectivity and not the space (Latour, 1993). Likewise, 'globalization' means more than just internationalization as it refers to a new quality of social arrangements (Held, 2003). Transnational movements of people, goods, information and capital have generated a qualitative shift from the systems of states to a new world that knows little about the difference between domestic and international spheres (Luke 1993; Ferguson and Mansbach, 1996, 2004). The bagginess of globalized world itself speeds-up the dissolution of both bounded and autonomous nation-states, territorial geopolitics and their identities (Khan et al., 2011b).

Contemporary global polity resembles an intricate texture in which decision making centers are dispersed between and concentrated on multiple layers of political order as they are dispersed and concentrated geographically where some regions play more significant role than others (Katzenstein, 2005). Nation-state capacities for collective decision making as its central function have partly detached from its institutional structures within and between nation-states, and have been relocated to the transnational level where they have been institutionally transformed or even restructured in new institutional designs (Albert, 2007).

Even on national issues, social movements and groups these days strive to go beyond the nation-state, to connect with like-minded groups (Human Rights Watch or Amnesty International) in other countries, or their global umbrella organizations, to voice demands not just to their own governments but also to foreign governments and international institutions (Kaldor, 2003). Globalization is creating a platform for the transformations in the role of states in world politics. However, by reshaping internal political and social systems it weakens the sovereignty in international relations (Kapitonenko, 2009). The dominant character of 'state' in nation-state based polity

has been challenged, giving way to redefinition of power politics at all levels.

Dynamics of transformation:

The 21st century is witnessing globalized human activities ranging from economic transactions, politics and culture, to warfare. These activities flow across the traditional barriers of state creating a new world entitled by Paul Friedman as a flat world (Friedman, 2005). Globalization is not superimposed on the society, individuals, networks and civil society, rather, it is created and shaped by individuals and groups every day (Drache, 2008). The transformation of polity has been brought about by a number of factors.

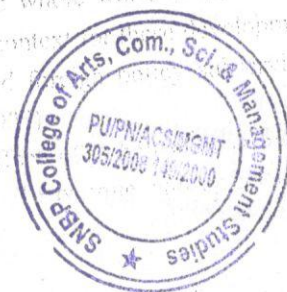
Globalization:

Globalization is a dynamic process which characterizes transformation in the spatial organization of social relations and transactions thereby generating trans-continental or interregional flows and networks of interaction and exercise of power (Held et al., 1999:16). The salient attributes of globalization are its social basis, economic and political dimensions, and its potential of integrating a range of so far nationally demarcated activities across state boundaries (Beeson, 2003). The transitions in the mode of production of hunting and gathering societies to agrarian, commercial, manufacturing and information societies are rather well known. Each transition involved substantial transformations in the political, economic and social systems (Tehrani, 2004).

Contemporary transformations characterized by globalization do not refer to the end of politics rather its relocation somewhere else (Toffler, 1991). The national or international dualism no more determines the structure of opportunities for political activity; instead it is now located in the 'global' platform. Global politics have turned into global domestic politics, which deprive national politics of their boundaries and foundation (Beck, 2006:249). This process shapes a social system with functional capacity to work as a unit globally in real or close time. Capacity here refers to technological capacity, institutional capacity (i.e. deregulation, liberalization, privatization), and organizational capacity (Castells, 2008).

Eroding State Sovereignty:

Apparently, the decline of state-power has driven diffusion of authority away from national governments and created the problems of non-authority and anarchy (Strange, 1996:14). Erosion of state sovereignty is propelled by internal social developments, mushrooming of new ideology and the rise of non-state actors at the national and transnational level (Kreijen, 2002). This erosion is generally considered a consequence of globalization (Beeson, 2003). The erosion of sovereignty and national security have emerged as such problems for the whole world (Kaldor, 2003). Globalization provides a new context for the transformation of the state-centered system (Kapitonenko, 2009). The dominant character of 'state' in nation-state based polity



zation are actually fostering a system that can be fatal to the sovereignty of their own state (Strange, 1996). The most colossal change in the world order setting since the Peace of Westphalia that concluded the war of thirty years. According to its provisions, sovereign states became the elements of the international system (Jackson and Owen, 2000). They substituted a variety of international actors like the Pope, the Emperor, dynasties, and the like. Thus, starting from the mid-17th century, international relations have been predominantly inter-state but this epoch of history seems to be changing (Khan et al., 2012).

Information Technologies:

Information technology refers to computers, software, networks, satellite links and related systems that enable users to access, analyze, create, store and use data, information, and knowledge in unprecedented ways. The terms 'ICT' and the 'internet' though not synonymous but are almost interchangeably used (Beebe, 2004). It is better to comprehend ICT in perspective of creating a new set of relationships and spaces, an agora rather than as a high-tech arena. It is one more global field for competition over the distribution of resources and information and the most importantly, power (Van Dijk, 2006).

With these technologies not only provide information but also tools that have the potential to extend the role of the citizens in the social and political space. The mushroom growth of online political groups and activism certainly depict political uses of the internet (Owen, 1996; Browning, 1996). The internet and allied technologies by their nature can supplement opportunities for self-expression and foster civic activities (Castells, 2008).

ICTs can easily merge into each other to raise connectivity and accessibility (Kleinberg, 2008). ICTs by enabling a horizontal network of global communication provide a variety of tools for organizing and conducting public debate and have the potential to raise collective decision making (Nawaz, 2012).

ICTs have opened new avenues for governance (i.e. e-governance) but on the contrary these have strengthened the capacities of civil society by facilitating vibrant and extensive public sphere (Dahlgren, 2005) and thus are facilitating transformation of polity (Crack, 2008; Castells, 2008). ICTs enable political actions with utter disregard to territory, and by fostering public spheres and fresh social movements (Min, 2010). The Internet has evolved to become a major hub of entertainment, education and community (Bartle, 2006:31) and it has a bright future in the field of business, research and politics (Balkin and Noveck, 2006). ICTs can help bridge the trust deficit among the nations by information exchange facilities and thus have the potential to ameliorate misperception and, ultimately bring more security, harmony and less violence (Kapitonenko, 2009). These features of ICTs show the social, political and economic ramifications of ICTs.

Emergence of Transnational Businesses:

The developments in information technology along with the policies of deregulation and market liberalization across the

globe have led to intense economic interdependence (Stopford, 1998), and the consequent externalities resulted in the sprouting of non-state actors of global character like TNCs. TNCs have steadily turned out to be the icons of new power structures in the global economy. These corporations work across state borders to pursue their own interests' and not of the state they officially belong to (Kapitonenko, 2009). Some see them as hard nosed exploiters, but others view them as torchbearers of prosperity (Mazlish, 2012).

TNCs have developed global networks of production and marketing that have transformed economic geography (Dicken, 2003). Traders, along with preachers, adventurers, and warriors have always connected dispersed human communities and civilizations, and paved the way for the emergence of the interconnected society we now label globalized (Chanda, 2008).

The emergence of TNCs poses a challenge to the conventional understanding that international politics is determined by states in the formal Westphalian state system (Deibert, 1997). Moreover they further blur the distinction between the domestic and the international, challenge the notion of 'state' as the ultimate authority at home, and reduce the significance of access to territory (Kobrin, 2001). TNCs are prime cause and result of globalization (Mazlish, 2012) and as a result major stimulant for transformation of polity.

Rise of Mundane Issues:

The intensified connectivity, interdependence and historically matchless production of commodities have resulted in variety of mundane issues, i.e. political, economic, social, biological and environmental (Crack, 2007). State seems incapable for dealing with such modern issues like climate change, global terrorism etc. The rising incapacities of state pave the way for the involvement of other actors for resolving these issues. Moreover this also reflects a gulf between the spaces where these mundane issues emerge (global) and the spheres of power where these issues are dealt with (nation-state). This also provides the rationale for the transformation of polity from nation-state (local) to global realm (Castells, 2008).

Emerging global polity:

ICTs led globalization has profound impact on the nation-state based polity amounting to a transformation. This transformation has shifted the centers of power from local to global level, and has been compelling to redefine the conditions of interplay among the constituent components of the new polity. The argument in the above section refers to the fact that 'state' capacity to deal with the contemporary issues has decreased and that the new actors have come forth to fill the gap (Kobrin, 2001). Civil society and public sphere, comparatively weaker elements of nation-state based polity, have now become powerful and have extended beyond the nation-state boundaries (Kapitonenko, 2009; Khan et al., 2011b).

So the emergent political structure at global level reflects three major components. A new public sphere which is transnational in nature and anchored in global



communication networks. The second component of this political structure is 'global' civil society which is an organized expression of the norms, values and interests of global society (Keane, 2003). A network state is the third component of the global polity which is reflected in the emerging global governance structures (Castells, 2008). Figure 1 illustrates the theoretical model of the transformation of polity.

Global civil society:

Civil society is generally referred to as a domain of social belief and action separate from politics and economics, that is composed of individuals, families, groups, movements and organizations beyond the grasp of the state-authority and selfishness of the market (Lipschutz, 2007). Voluntary realm and the public sphere of discourse are shifting from the mass-media to interactive web-sites (Castells, 2008). Most appropriate to the global setting, networks can shape social associations without the constraints of space or co-presence (Khan et al., 2011a).

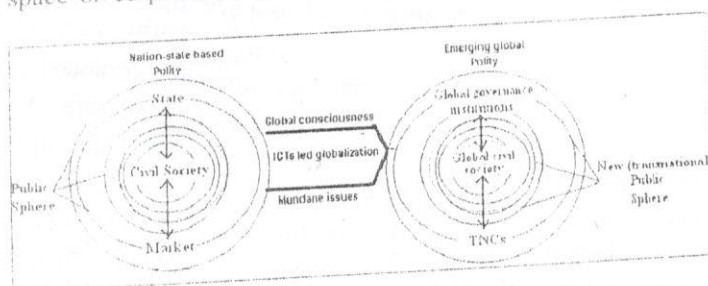


Figure 1. Theoretical model for transformation of polity

Civil societies have generally been defined at the level of nation-state where group identity derives from citizenship in a territorial state (Schwartz, 2003). However, today, transnational networks are facilitating civic engagements across the borders of territorial state. This shows that shared interests can also play the role of binding agent like shared geography or identity (Khan et al., 2012).

The contemporary civil society is the arena where individual negotiates a social contract not only with the state but also with layers of institutions at the local, national, regional and global levels. Moreover, it is not just an arena made of progressive cosmopolitan ideas; it also includes national and religious militants, corporate lobby groups and a multiplicity of opinions (Keane, 2003). Many term this transnational version of civil society as global civil society which mediates with state, global governance structures and corporations for progressive ends (Kaldor, 2007).

Global Public Sphere:

Prima facie, there seems a shift from a public sphere constituted around the national institutions of territory-based societies to a public sphere anchored around the transnational media system (El-Nawawy and Iskander, 2002; Paterson and Sreberny, 2004). The contemporary media comprises of traditional media like radio, and the print media, as well as a diversity of modern multimedia and communication systems like the Internet and horizontal networks (Dahlgren, 2005; Tremayne, 2007).

Bennett, 2008). The new public sphere is a multi-discursive political space, a global sphere of mediation, with no center or periphery. The agenda setting and contexts are shaped and mediated by autonomously operating media systems (Castells, 2008) and the citizens themselves (Khan et al., 2012).

The international citizens due to their transnational activism facilitated by ICTs are shaping 'digital publics'. ICTs convert an ordinary citizen into international citizen by providing him/her the unlimited social possibility to innovate and form discursive communities of choice. Global activism is reflected in signing petitions, starting boycotts, creating art, breaking copyright laws, file-sharing, blogging, and engaging in elite challenging activities (Drache, 2008:63). These 'digital publics' are no longer confined to their self-constructed silos. Instead they are talking to one another, and unafraid to voice their opinions (Khan, et al., 2011a).

It is well recognized that everything affects everything else and different campaigns don't compete rather they reinforce each other (Neale, 2002:105). It is evident that information civilization is generating a new global consciousness, which is based on an increasing awareness of the global ecological and economic interdependence, clashes of culture and the need for dialogue for democracy (Tehrani, 2004). In this age of communications ordinary citizens are more informed than they used to be and are demanding more of the state, at a time when most states and their leaders are seemingly unable to provide (Ferguson, 2006). Thus, the NPS with its revitalized 'publicness' is facilitating global civil society with the required medium to mediate with the layers of political authorities (Castells, 2008).

Rise of Global Governance:

A single global political authority is not visible at the global arena however; there are millions of control mechanisms for the management of transnational policies (Rosenau, 1995:9). These mechanisms range from the primary to the embedded, from informal modes of consultation to formal decision making arrangements. The planet is ordered according to certain rules, regimes, and norms that enjoy widespread legitimacy (Crack, 2007). They cover a range of current issues for example, climate change, fighting terrorism and managing global economy. This rising institutionalism denotes transformation from national government to global governance (Khan et al., 2012).

The emergence of global governance matches the organizational shift from the mass society to a network society (Castells, 1996). State governments use the typical structural characteristics of mass society where authority is centralized in a hierarchical and vertically integrated bureaucracy. On the contrary global governance networks are hierarchical and horizontally integrated. Some centers in the network are more influential than others because of their international legal status, legitimacy and resources (Crack, 2007). Globalization has been with us for centuries however, efforts to govern the interconnection

need by it are not very old (Chanda, 2008; Sloterdijk, 1993) and this is the reason for the immaturity of global governance institutions. Nevertheless, relocation of state authorities in the global institutions is reflected in the increasingly merging economic, political, security, and ecological institutions (Fazliah, 2012).

DISCUSSIONS:

any scholars have pointed to the fact that this transformation is initiated by economic forces that are seeking higher profits in a global space, and is facilitated by the rapid development of technologies in the field of communication, transportation, media and production (Wriston 1992). The primary characteristic of globalization is that geographical distance becomes irrelevant and that territorial boundaries become less significant (Scholte, 2000). It is contentious that whether the establishment of global governance institutions is also accompanied by trends of transformation of polity on a global level (Zubair et al., 2011b). Most theories of international relations still assume a nation-state context in which territorially bounded political societies interact in the absence of centralized authority (Bartelson, 2009). In order to make sense of contemporary global developments, state-centric theories of international relations needs to be abandoned in favor of a planetary or global vantage point (Bartelson, 2010).

It can be argued that 'globality' is being constituted by arising common consciousness of human society on a planetary scale through an increasing awareness of the human and social relations in the largest constitutive framework of all relations (Shaw, 2000). Furthermore, there is growing awareness and consideration of the argument that globalization is not simply a bottom-up process leading to the emergence of global networks and structures that link preexistent institutions on sub-global levels; the concept of society on a global scale customarily implies that there is something like a planetary social whole in a meaningful analytical sense as well (Albert, 2007).

The state is increasingly enfeebled today (Ferguson, 2006). It finds itself bounded by competitors offering alternative rules and norms for global politics. The monopoly of state in international politics is over; interstate relations are turning into transnational realm. These transformations are marked by the creation of a increasing interdependence of the various international actors, and globalization reinforces this interdependence (Kapitonenko, 2009).

Global economic and cultural forces are increasingly becoming successful. Furthermore, the communication technologies such as the World Wide Web have contracted the world so closely that more than half of the top hundred economic entities have become more homogenous and more connected to than ever before (Camilleri and Falk, 1992). Thus, the rise of transnational actors and a global civil society have transformed the inter-state system and directly affected the construct of sovereignty (Deibert, 1997). They have further distorted the line between the domestic and the

international, compromised the idea of states as the ultimate authority, limited the significance of access to territory, and raised questions about the significance of actors in the global system (Kobrin, 2001).

Thus, the rise of new global sociopolitical realm, different from the Westphalian state system can be envisioned. It exists in transnational spatial formations, a new social whole fastened in norms and aspiration as well as institutional networks beyond the states (Ruggie, 2004:519). However, globalization has not led to the elimination of states rather states are a product of globalization and of actions of individuals and groups (Bayart, 2008). Globalization is expected to create a situation where states will continue to coexist but with global forms of authority.

CONCLUSIONS:

The nation-state polity is being transformed into a planetary polity. The transformed polity is reflecting itself in global civil society, global public sphere and institutions of global governance. This does not necessarily suggest an extension of nation-state based institutions and concepts into their global equivalents rather the 'globality' itself is a new social whole on planetary scale.

ICTs led globalization is creating an environment in which sovereignty of the state is eroding and getting relocated in transnational realm. The state is increasingly getting enfeebled and giving way to transnational actors for its incapacities to resolve the mundane issues of twenty first century. Civil society is rapidly getting strengthened and expanded beyond state territories. ICTs enabled NPS is boosting the powers of global civil society actors striving to establish networks of civic societies globally.

Obviously, a global community requires a uniform set of ethos as the base on which it agrees therefore as the world gets globalized, there is increasing demand to widen the scope of a common ethical code. However, the contemporary platforms and processes to deliberate on these issues are not quite inclusive and democratic. With regard to issues on human rights, democratic freedoms, environmental challenges, business ethics and warfare, there is a need to consider the shared global values and their transformation into rules about enforcement and inspection. Philosophers, scholars and policy-makers need to ponder upon and research those issues.

However, in the global polity, political authorities at global level are far from clear. The need for effective global governance has emerged from the mundane issues like global environmental, financial and security crises. The globalized world is in need of sophisticated and inclusive mechanism of global governance than what it has at the moment. Furthermore, effective economic and political governance at global level requires the involvement of governments, private sector, a broad range of civil society groups and international organizations like global NGOs. The technological and cultural exchanges have always shaped human civilization and ways of governance, and it is expected that ICTs enabled civilization would also foster effective governance.



structures at global level.

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Future Growth of E-Commerce in India

Prof. Umeshwari P. Patil

Assistant Professor, SNBP College of Arts Commerce Science & Management Studies, Pune
umeshwari_patil@rediffmail.com, Mob. 9604789565

Dr. Sudhir A. Atwadkar

Vice Principal, SNBP College of Arts Commerce Science & Management Studies, Pune
sudhir.atwadkar@gmail.com, Mob. 8275001199

Abstract:

The E-Commerce market is thriving and poised for robust growth in Asia. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. There is need to understand the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also study various factors that would essential for future growth of Indian E-commerce. It is essential to study the various opportunities for retailers, wholesalers, producers and for people. This paper focus on Overall E-Commerce will increase exponentially in coming years in the emerging market of India.

Key Words: E-Commerce, Online retail, Internet users, Electronic fund transfer

Introduction:

The E-commerce Industry in India has come a long way since its early days. The market has matured and new players have entered the market space. In the present dynamic scenario, e-commerce market in the B2C space is growing in demand as well as in the array of services. The transition to online purchasing from traditional purchasing is taking a long time in the Indian market. E commerce includes not only buying and selling goods over Internet, but also various business processes within individual organizations that support the goal. As with e-commerce, e-business (electronic business) also has a number of different definitions and is used in a number of different contexts.

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to any form of business transaction in which the

Dr. Sudhir A. Atwadkar
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SNBP College of Arts, Comm., Sci. & Management Studies
Sant Dayaneshwar Nagar, Morwadi, Pimpri, Pune-18

parties interact electronically rather than by physical exchanges or direct physical contact." A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

The major different types of e-commerce are: business-to-business (B2B); business to-consumer (B2C); business-to-government (B2G); consumer-to-consumer (C2C); and mobile commerce (m-commerce).

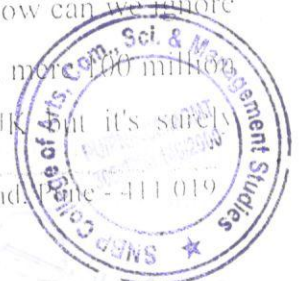
E-Commerce In India:

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non-residents Indians. It provided a wealth of Indian-related business news a reach engine, e-commerce and web solution services. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues.

The web communities built around these portal sites with content have been effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major in this services being Rediff.com and the net and India plaza with started a shopping section after In spite of RBI regulation low internet usage e-commerce sites have popped up everywhere hawking things like groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

Future of E-Commerce In India:

India is developing rapidly and if development is to be measured, how can we ignore the role of e commerce in it. The internet user base in India might still be a more 100 million which is much less when compared to its penetration in the US or UK, but it's surely



expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods. Another category that is gradually making its mark is the local commerce (couponing, yellow pages, classifieds etc.) which offers significant overlaps with E-commerce.

The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too.

The 2nd category of physical goods is the one currently gaining considerable attention, thanks to the hype created by new startups/stores being launched daily. Leaders in this division are Flip kart, Infibeam, Homeshop18, India times, Naaptol, Lets buy etc. each of which offers everything from mobile phones to pet food.

The 3rd and final category of virtual goods and gift vouchers like online music, software's, movies, games, Taj Hotel gift vouchers, Reebok gift vouchers, Pizza Hut gift vouchers etc. have been relatively lagging behind in India as compared to Europe and America, primarily due to piracy concerns and the social perspective of Indians. But the scenario is expected to change with the digital downloads segment expected to grow in the Indian E-commerce market due to the explosion of mobile devices and the services available over the Internet at special discounts.

Certain unique attributes of the E-commerce industry in India such as cash on delivery mode of payment and direct imports that lower costs considerably are probably going to bring about a speedy growth in this industry in years to come.



According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16. The report, titled "Asia Pacific Online Retail Forecast, 2011 To 2016," has been issued by Forrester Research Inc. Analyst Zia Daniell Wigder, with Steven Noble, Vikram Sehgal and Lily Varon.

Country	Sales in \$ Billion	
	2012	2016
India	1.6	8.8
Australia	23.2	35.4
Japan	63.9	97.6
China	169.4	356.1

Source: Forrester

E-commerce in India to explode

in 2012, Indian e-shoppers will have a good time getting great deals and services online. A recent pan-India report released by Com Score Inc reveals that online shopping in India has touched a growth rate of 18 per cent and is only likely to grow further. The report found that nearly 60 per cent of citizens in India visited a retail site in November 2011, with the number of online shoppers increasing by 18 per cent in the past year. E-commerce can become an integral part of sales strategy while it is one of the cheapest medium to reach out the new markets, if implemented successfully, it offer a smart way of expansion & doing e-commerce attribute to the successful implementation to carefully understanding the products & services, customers and the business process, easy -to-use system to extend the business on the web. A new report by the Boston Consulting Group says online retail in India could be a \$84-billion industry by 2016 — more than 10 times its worth in 2010 — and will account for 4.5 per cent of total retail. The e-commerce platforms maximize its reach to the potential customers and provide them with a convenient, satisfying & secure shopping experience.

Segments that Recorded Growth:

Online channels are playing an important role of connecting with consumers of unexplored markets. The journey of online spending that started with an increasing number of buyers of travel and holiday plans in the last decade has now extended to an increase in spends on household appliances and luxury products. While segments like apparel and luxury products have registered unprecedented growth in 2011, jewelry, electronic appliances and hardware products have shown promising growth trends as well. "Indian consumers are



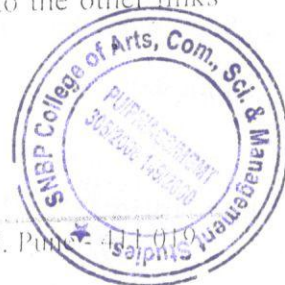
showing greater appetite to transact online, fuelling the e-commerce boom,” said Anuj Kumar, CEO, Affle.

The report also found that coupon sites are rapidly gaining popularity, with 16.5 per cent of the Indian online population visiting the category in November 2011 – 27.2 million online users in India aged 15 and older accessed the retail category from a home or work computer, an increase of 18 per cent from the previous year, as consumers continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through active marketing campaigns.

● Increase in shoppers of the coupon sites indicate that pricing is playing the role of catalyst in bringing more and more shoppers online. Many of these shoppers have shown affinity towards affordable online goods, which was priced lesser than the market price. Some of the largest retail subcategories revealed that coupons category was the largest with 7.6 million visitors as consumers rapidly adopt daily deal sites. Consumer electronics ranked next with 7.1 million visitors, growing at 12 per cent over the previous year, while 5.8 million online users visited comparison shopping sites, an increase of 25 per cent from the previous year.

Prospects of E-Commerce In India:

- a) **Opportunity For Retailers:** A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.
- b) **Opportunity For Whole Sellers & Distributer:** In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.
- c) **Opportunity For Producers:** Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity.



d) **Opportunity For People:** As more people are getting linked with E-commerce, the demand for Centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

Essential factors for growth of E-Commerce in India:

- Customer convenience: By providing Cash on delivery payment option service to customers.
- Replacement guarantee: Should be Offers 30 day replacement guarantee to their customers.
- Reach: Enabling mobile-capable sites and supporting M-Commerce services.
- Location based services: Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect
- Multiple payment option: standard credit cards, debit cards and bank payments option should be there.
- Right content: Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.
- Price comparison: Providers offering instant price comparison are highly popular amongst the price conscious customers.
- Shipment option: Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.
- Logistical challenges: In India, the geographical spread throws logistical challenges. The kind of products being offered by providers should determine the logistics planning.
- Legal challenges: There should be legal requirement of generating invoices for online transactions.
- Quick Service: Timely service provided by the company.
- Terms and condition: T & C should be clear & realistic.
- Quality: The product quality should be same as shown on the portal.
- Customer care center: A dedicated 24/7 customer care center should be there.

Experts View About Future Growth of E-Commerce In India:

Leading e-commerce portals in the country include Flipkart.com, Futurebazaar.com, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starej.com, Anil.com.



According to a report by industry body Assocham, online retail segment is likely to be worth Rs7,000 crore by 2015 due to rising broadband availability and increasing Internet penetration, from the Rs 2,000 crore at present. It is growing at an annual rate of 35 per cent.

Conclusion:

The future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal, dedicated 24/7 customer care center should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity. As more people are getting linked with E-commerce, the demand for center providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits. People could found various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

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Internet on mobile phones and e-commerce are set to lead the trend in the IT sector. GoogleIndia MD Rajan Anandan said on June 2012.

Speaking at the 13th annual Confluence at the Indian Institute of Management, Ahmedabad (IIM-A) here, Anandan identified trends such as mobile internet, social networking, e-commerce and internet video as being the most important trends for any technology company to take advantage of.

"We have seen 80-90 per cent growth in traffic month-on-month over the last three quarters. We have been gradually increasing the pace of hiring and over the next six months, we will add about 500 people," Snapdeal Chief Executive Director Kunal Behl

"With the growing e-commerce industry in the country and major international players entering the market, the number of job offers would certainly look up," e-commerce firm Homeshop18.com CEO and founder Sundeep Malhotra.

The online retail segment is expected to report strong growth in the coming years owing to growing Internet consumer base thanks to increasing use of smartphones, laptops/PC's and availability of Internet in the remotest part of the country.

"e-commerce space is a booming space as Internet audience are likely to double in the next two-three years and this industry will require talent from various sectors like technology, product, analytics, sourcing, general management talent, merchandising and marketing," online retailer Fashionandyou.com co-founder and CEO Pearl Uppal.

Another e-commerce player HomeShop18.com has grown by over 70 per cent in headcount terms in 2011 over the last year and is further poised to grow by a similar percentage this year, including an augmentation of the technology team.

Meanwhile, the e-commerce sector is fast hiring the best talent available in the country and this placement season saw e-commerce companies recruiting big numbers at premier institutions like the Indian Institutes of Management (IIMs) and Indian Institute of Technology (IITs).



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CHALLENGES AND OPPORTUNITIES FOR INDIA'**

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MAKE IN INDIA: CHALLENGES AND OPPORTUNITIES

Prof. Umeshwari Patil

Assistant Professor, SNBP College of Arts Commerce Science and Management Studies, Morwadi, Pimpri, Pune.
Contact No.: 9604789565, Email Id: umeshwari_patil@rediffmail.com

Dr. Sudhir Atwadkar

Vice Principal, SNBP College of Arts Commerce Science and Management Studies,
Morwadi, Pimpri, Pune.

Contact No.: 8275001199, Email Id: sudhir.atwadkar@gmail.com

ABSTRACT

Over the past several decades, the globalization of the manufacturing ecosystem has driven more change and impacted the prosperity of more companies, nations and people than at any time since the dawn of the Industrial Revolution. Nations around the world have taken part in and benefited from the rapid globalization of industry and expansion of manufacturing. Globalization of manufacturing has been a key driver of higher-value job creation and rising standard of living for the growing middle class in emerging nation economies. The Government of India has taken a number of steps to further encourage investment and improve business climate. 'Make in India' mission is one such long term initiative which will help to realize the dream of transforming India into a manufacturing hub. An ambitious Make in India campaign by the government of India can not only change the image of the country as a hub for manufacturing but also as a destination to do business. This paper attempts to identify the opportunities and the challenges waiting for the Make in India campaign.


Keywords: *Make in India, Manufacturing, Skill, Opportunities.*

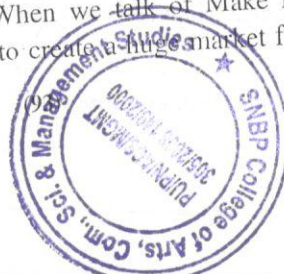
INTRODUCTION:

The 'Make In India' initiative was launched on September 25, 2014 with an aim of providing global recognition to the Indian economy. The program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in class manufacturing infrastructure. Besides focus on enabling manufacture, major initiatives have been taken in 2014 for improving the 'Ease of Doing Business' in India through simplification and rationalization of existing rules and the introduction of information technology to make governance more efficient and effective. 'Skill India' – a multi-skill development programme has been initiated with a mission for job creation and entrepreneurship for all socio-economic classes. 'Digital India' is another initiative of Government of India to integrate the government's departments and the people of India and to ensure effective governance. It also aims at ensuring government services made available to citizens electronically by reducing paperwork. All these initiatives open up numerous opportunities for investments across various sectors, including infrastructure. The "Investment Opportunities In India" publication includes various opportunities in roads and highways, ports and shipping, civil aviation, power and other major infrastructure development projects.

Key thrust of the programme would be on cutting down in delays in manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in India. The 25 key sectors identified under the programme include automobiles, auto components, bio-technology, chemicals, defence manufacturing, electronic systems, food processing, leather, mining, oil and gas, ports, railways, ports and textile.

The national programme aims at time-bound project clearances through a single online portal which will be further supported by the eight-member team dedicated to answering investor queries within 48 hours and addressing key issues including labor laws, skill development and infrastructure. The objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country's Gross Domestic Products is increased to 25% in next few years. Speaking to more than 500 top global CEOs along with captains of Indian industry at the event in Vigyan Bhawan, New Delhi on September 25th, Prime Minister termed 'Make in India' initiative a lion step to usher in increased manufacturing in the country, which will ultimately generate more employment opportunities for the poor and give greater purchasing power in their hands. The mega event was watched live in several cities in India and abroad through video conferencing. He urged the domestic as well as global investors not to look at India merely as a market, but instead see it as an opportunity. "When we talk of Make in India, we are not just offering a competitive situation and we give you an opportunity to create a huge market for your product. After all, handsome


Dr. Sudhir Atwadkar.



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SNBP College of Arts, Comm., Sci. & Management Studies
Sant Dnyaneshwar Nagar, Morwadi, Pimpri, Pune-18

buyer is equally important as cost effective manufacturing," Modi told a packed audience. With the launch of "Make in India", a ray of hope for the upliftment of the performance of this sector is slowly emerging. The campaign has started showing its positive colours with various steps taken to encourage the investment in this sector but there are various challenges that hinder the growth of this sector.

The present paper investigates the challenges posed to the 'Make in India' campaign by the manufacturing sector in India. Secondary data from different sources like journals, books, magazines, Census India, Government reports, surveys and websites have been taken to support the points. The objective is to present the present scenario of the manufacturing sector of India, various challenges faced by it and the emerging trends after the launch of the 'Make in India' campaign.

REVIEW OF LITERATURE:

Since the year 2009, manufacturing sector of India is showing reverse trend with its share of GDP falling from 2.2 to 2.0 (Bhattacharya, Bruce, and Mukherjee, 2014). It is undoubtedly true that, if India aspires to be a powerful nation by 2030, it needs a strong sustainable growth which can only be achieved if India creates a strong manufacturing base (Shah, 2013). The existing labour laws are less employment friendly and biased towards the organized labour force; they protect employment and do not encourage employment or employability; they give scope for illegitimate demands of the Trade Unions and are a major cause for greater acceptance of capital-intensive methods in the organized sector (Datta and Milly, 2007). Employers complain of major skills gaps, and fewer than 25% of graduates are estimated to be employable in manufacturing ("The Manufacturing Plan,"). India's underdeveloped infrastructure is the top most issue faced by Japanese manufacturers ("Make In India: Opportunities and Challenges," 2015). Senior managers of manufacturing companies consistently rank difficulties in acquiring land as one of the top priority areas to be tackled by the government (Bhattacharya, Bruce, and Mukherjee, 2014). The share of manufactured goods in total merchandise exports fell from 77% in 2003 to 65% in 2013 (Joumard, Sila, and Morgavi, 2015). "What counts is not necessarily the size of the dog in the fight – it's the size of the fight in the dog" - General Dwight D. Eisenhower this former President of USA and also a five-star general of US army during World War II said, the might of the army is in the size of the fight it gives and there might be many factors influencing the might of the army. 'Make in India' is a dream campaign launched by the Prime Minister of India to boost this sector so that India can present its candidature for becoming the Global Leader (Chattopadhyay, 2015).

MAKE IN INDIA CAMPAIGN – NEW PROCESSES:

- Doing business in India just got easier – new de-licensing and deregulation measures are reducing complexity, and significantly increasing speed and transparency.
- Process of applying for Industrial License and Industrial Entrepreneur Memorandum made online on 24x7 basis through e-Biz portal.
- Validity of Industrial license extended to three years.
- States asked to introduce self-certification and third party certification under Boilers Act.
- Major components of Defence products' list excluded from industrial licensing.
- Dual use items having military as well as civilian applications deregulated.
- Services of all Central Govt. Departments and Ministries will be integrated with the e-Biz a single window IT platform for services by 31 Dec. 2014.
- Process of obtaining environmental clearances made online.

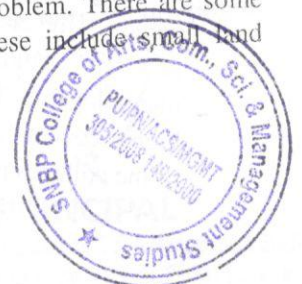
CHALLENGES FOR MANUFACTURING SECTOR:

There are many hurdles that delay the smooth progress of the manufacturing sector which in turn adversely affect the 'Make in India' campaign. Some of them have been listed below:

- **Skill:** Education and skill are the key forces for the growth and development of a country. The countries with high skilled labour can do much better than others. But the situation in India is very gloomy with huge skill gaps. Although India has improved a lot in education but its competitors are much ahead in this area. As per the report named "Higher Education in India: Vision 2030" by FICCI, 75% of IT graduates are deemed 'unemployable', 55% in manufacturing, 55% in healthcare and 50% in banking and insurance graduates are deemed unemployable. Further in India only 3.5 million workers are undergoing skills courses a year. The quality of higher education is also low. As per NAAC report "the quality of education in 90% of the universities and 70% of the colleges is below par".



- **Ease of Doing Business:** Ease of doing business is the major obstacle to the growth of the manufacturing sector. The World Bank's "Ease of doing Business 2015" report has ranked India at 142nd out of 189 countries for its ease of doing business. The "ease of doing business" covers ease in starting a business, enforcing contracts, registering property, gaining access to electricity, paying taxes, etc. The easier and simple process gives a country a good rank. The more the complex and time consuming process the poorer is the rank given. It is a matter of great concern that more than two decades have passed since the commencement of economic reforms and still India lags behind in providing business encouraging environment and the other facilities as are provided by other countries of the world. In the exports section also, getting approvals require long time and huge cost. All these obstacles discourage the growth of manufacturing sector.
- **Environment Clearance:** Slogan of "Go Green" in the present day requires the businesses to be environmentally sustainable. 'Being green' should be the main focus of the businesses and should be taken as a duty by the manufacturing sector to preserve the environment. But the situation is challenging for MSMEs who use obsolete and inefficient technologies. There is an urgent need to develop new techniques that help in protecting the environment. As many as 17 highly polluting industries have been identified by the Central Pollution Control Board, the majority of which are manufacturing industries. MSMEs, in particular, can significantly affect the environment as the technology used by them is generally obsolete and inefficient. About 70% of the total industrial pollution load of India is attributed to MSMEs.
- **Infrastructure:** The growth of manufacturing sector is highly dependent on its quality of infrastructure. The World Economic Forum's Global Competitiveness Report has given 81st rank to India out of 140 countries for its deficiency in infrastructure. Quality infrastructure is one of the top requirements for the success of "Make in India". India's underdeveloped infrastructure is the top most issue faced by Japanese manufacturers. Roadways in India pose a big challenge for the growth of the country and successive governments are continuously failing to implement their electoral promises. The projects of railways department suffer from even longer delays as compared to road sector. Also, rail transport is 70% more expensive in India as compared to the United States which makes it inefficient. There is a nationwide scarcity in terms of power generation. About 48% of firms suffer from power cuts for more than 5 hours in a week and around 60% of firms are ready to pay more for a continuous and reliable supply. In order to promote the foreign trade, ports play a very important role. There is a scarcity of modernized ports and those that exist, are using 90% of their capacity as against an average of 70% international usage.
- **Labour Laws:** India's labour regulations are among the world's most stringent and complex, and over time have limited the growth of the formal manufacturing sector. The present labour laws favour the employees and protect employment and also a big tool in the hands of trade unions to raise their bargaining power giving a way to go for capital intensive methods in the organized sector. This adversely affects the expansion of employment and generating jobs. There are more than 200 laws regarding conditions of employment, social security, health, safety, welfare, trade unions, industrial and labour disputes, etc. Another problem is lost relevance of most of the labour regulations in the present day. As per the survey of CII-KPMG 2014 in India, about 47% of the respondents stated moderate to major difficulty in complying with labour laws.
- **Research and Development:** The expenditure on Research and Development in India is just 0.9% of GDP. Moreover around 75% the share comes from public sector and just 25% is invested by private sector showing severe contrast to the trends followed in US and China. The credit of the faded growth of manufacturing goes to the low technological depth of the sector. Indian RandD sector is still under explored as India lags behind her competitors in infrastructural and technological development. Therefore it poses a big challenge to the investors to improve further in skill and standardization of the issues.
- **Land Acquisition:** Land acquisition is another major issue involving lengthy and cumbersome process. It is one of the main reasons for delay of the projects. About 70% of the infrastructure projects got delayed due to it. It takes 14 months on an average to acquire land. Another difficulty is to establish the land title due to incomplete land records which becomes a cause of litigation later. Also the owners of the land are often inadequately compensated which again leads to disputes and delays. As per the survey conducted by CII-KPMG among the various causes of difficulty in acquiring lands, the unsecured land title is the major problem. There are some critical issues that pose challenges to obtaining land for industrial development. These include small land holdings, inaccurate, outdated land records and restrictions on usage of land, etc.



➤ **Micro Small and Medium Enterprises:** The Micro, Small and Medium Enterprises (MSME) of India play an important role in providing huge employment and contributing considerably in manufacturing output. Their presence in the rural areas checks the migration of workforce to urban areas. They are the ancillary units to the large industries providing them various consumables and other services. This sector contributes nearly 45% of manufacturing output and 40% of total exports of the country and employs around 69 million persons in over 29 million units throughout the country. Despite such a big contribution from MSMEs there are various challenges still suffered by them in the areas of skill, credit, infrastructure, technology, etc. MSMEs are the highest credit defaulters which accounts for 5% of advances for the last three years. Even the process of providing loans to these enterprises is costly as there is a need of intensive field work and high levels of scrutiny for the processing of each application.

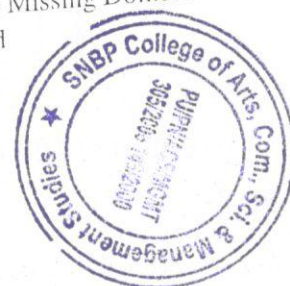
➤ **Exports:** Exports play a major role in the growth of the manufacturing sector. But the share of India in global merchandise exports has been very low as compared to other countries. Whereas the developing countries' share in global merchandise exports rose from 24% in 1990 to 38% in 2006 and 45% in 2013. Of India's export basket, 62% comprise of manufacturing exports (as of 2013) which is the lowest among most Asian economies with China having 94%, Japan 88%, Philippines 77%, Singapore 70% and Thailand having 74%. The major reasons behind the declining manufacturing exports are the slow rate of growth of the sector, the small share of high tech exports, inadequate infrastructure, etc.

CONCLUSION:

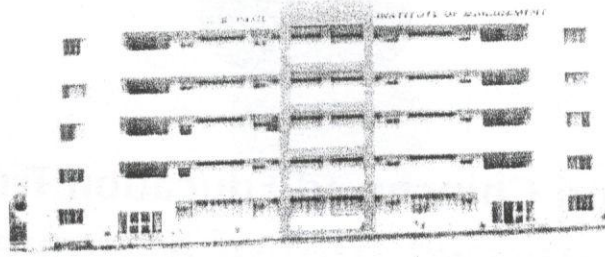
In conclusion, we have to accept the fact that advancing manufacturing growth will be essential if India wants to transform itself into a high-income economy. We cannot rely on services alone to fulfill this ambition. At the same time, we will also have to focus on skilling our youth population. Many governments in the past have announced lofty policies to transform India's manufacturing but few things have changed on the ground. The 'Make in India' programme may have the potential to transform India into a manufacturing hub but if we are to achieve that potential, the government would have to move beyond rhetoric to actual implementation of the announced policies. A good start has been taken by the present Government and yet has to need few important changes to improve manufacturing sector. In my point of view this year is crucial to implementing the announcement well and seizing the opportunity to make the right investments at a company level.

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CASHLESS ECONOMY - A REALITY AND CHALLENGES

Dr. Sudhir Atwadkar

Vice Principal, SNBP College of Arts Commerce Science and Management Studies,
Morwadi, Pimpri, Pune.

Contact No.: 8275001199, Email Id: sudhir.atwadkar@gmail.com

Prof. Umeshwari Patil

Assistant Professor, SNBP College of Arts Commerce Science and Management Studies, Morwadi, Pimpri, Pune.
Contact No.: 9604789565, Email Id: umeshwari_patil@rediffmail.com

ABSTRACT

Currently, there is a mix of cash and cashless transactions happening across the country, while many enablers are working towards turning the cashless economy dream into a reality. We have taken big strides towards becoming a cashless economy; however it will take more than a generation to change the habit from cash to no cash transaction. Rushing the economy into a cashless state without proper planning and infrastructure will be disastrous and its consequences will be everlasting. A gradual move towards less-cash society as said by the Prime Minister is the right way forward. The low literacy rates in rural India, along with the lack of infrastructure like internet access and power make things extremely difficult for people to adopt e-transaction route. Also, important to note that if people start flocking to alternate currencies, governments could wind up losing much of their power to influence economic issues such as inflation and unemployment. The government can't set an interest rate for institutions lending in a currency it doesn't control.

Keywords: Cash, Cashless, Economy, Security, Transactions.

IS CASH REQUIRED?

Cash is like water a basic necessity without which survival is a challenge. Nevertheless, cash use doesn't seem to be waning all that much, with around 85% of global payments still made using cash. One of the main reasons is that there is nothing to truly compete with the flexibility of notes and coins. The magnificence of cash is that -- it just works; even in the isolated whereabouts of India, where the government might not be present physically with its paraphernalia, its injunction runs in the form of legal tender that public uses for business on an everyday basis. A large informal economy that supports a major part of Indian population and their livelihoods also runs in cash. This is why Cash is yet King.

The ground reality reveals, a majority of transactions in Kirana stores, the go-to shop for daily purchases in India are cash based transactions, because these are generally small ticket transactions. The customers, as well as Kirana store owners feel more comfortable in dealing with cash for small transactions, while these merchants also provide credit facility to customers. However, the governments drive to incentivize consumers and merchants alike to move to electronic modes of payments has not found many takers because our cash driven economy is fuelled through rampant corruption in society and black money. The modus operations for corruption are cash so unless we rid our society of corruption at all levels this will be a huge task. Imagine paying a corrupt official through your e-wallet it will never happen.

Also another point to ponder on is why India has such less tax payers in a population of over 1.2 billion people. Is 98% of our population earning below 2.5 lakhs a year. This is one of the issues that needs to be addressed and hopefully with many more transaction moving electronic and records of the same being made available many more people should fall under the tax net be it small merchants, professionals etc. Will this segment of society adapt to electronic modes of payment so that the nation can benefit from a higher tax collection leading to better benefits to society at large? However, the whole isometrics of moving from cash-driven economy to cashless economy has somehow been assorted with demonetisation that was aimed to extract liquidity from the system to unearth black money. Prime Minister Narendra Modi acknowledged the fact in his monthly radio programme, 'Mann Ki Baat' on Sunday that making the transition to cashless economy is challenging, and hence has urged the public to move to 'less-cash' society.

In a courageous move to combat black money and counterfeit currency, Narendra Modi's government scrapped currency notes of INR 500 and INR 1000 denominations, which is seen as an unprecedented measure, though a giant leap towards curbing corruption and forged currency. The declaration created confusion across the spectrum, as these high-value notes form around 86% of total legal tender. Of course, the digital era is something to embrace, and new methods of payments will continue to be introduced. But Indians need to recognize the risks and benefits of different payment instruments, the risks associated with electronic payment instruments are far more diverse and severe.

GLANCE ON VARIOUS EXPERT OPINIONS:

A report by Boston Consulting Group (BCG) and Google India revealed that last year around 75% of transactions in India were cash-based, while in developed nations such as the US, Japan, France, Germany etc. it was around 20-25%. The depletion in cash due to demonetisation has pushed digital and e-transactions to the forefront; e-banking, e-wallets, and other transaction apps becoming prevalent.

Dr. Sudhir Atwadkar



PRINCIPAL

SNBP College of Arts, Comm., Sci. & Management Studies
Sant Dnyaneshwar Nagar, Morwadi, Pimpri, Pune-18

At the end of a panel at "Startup India Standup India", adequately named "Disruptive Power of Technology in Financial Inclusion", the panelists, which included Paytm CEO Vijay Shekhar Sharma, Eko Founder and CEO Abhishek Sinha, and Ispirt's Sharad Sharma, pledged to make India a cashless economy. That was January 16th, 2016, and nearly 10 months later, Prime Minister Narendra Modi, put disruption into the financial payments space, with the move to remove (and gradually recycle) 86% of the cash in the Indian economy. The government's narrative surrounding demonetization has changed frequently since then: first it was an attack on black money, then about addressing funding of terrorism, but the latest pitch, for a move that reportedly has seen people die, is that it moves people towards a cashless economy; what Venkaiah Naidu, the Union Minister for Urban Development and Information and Broadcasting, also referred to today as a "Cultural Revolution", entailing, to quote him, a "behavioural modification".

Reserve Bank of India Deputy Governor H R Khan, speaking at an event, mentioned that the circulation of a large amount of cash in the economy leads to many problems, including corruption. His suggested remedy was to move to a system where payments were less in cash. In addition to reducing corruption, such a move, he felt, will solve transmission issues of monetary policy as well as cash management issues in the banking system. In a recently concluded study carried out by the India Development Foundation (IDF), it was argued that, in addition to these, the move towards a less cash-using economy will lead to an improvement in financial inclusion, more digital record-keeping of transactions, and a reduction in the costs of transactions and encourage greater growth.

According to the Reserve Bank of India (RBI), the provisional estimate of the amount of currency in circulation (as of June 2010) stands at ₹ 8,64,333 crore, out of which only five per cent of the currency is with the bank — implying that almost the entire volume of currency is transacted every day. Over the period April 2006 - June 2010, currency has shown a yearly growth rate of 17 per cent. It is estimated that for 2009-10, the RBI incurred an annual cost of ₹ 2,800 crore to just print the currency notes. This is 0.4 per cent of the total currency in circulation. The need to move towards a cashless payment economy is perhaps more in India because of the cost of printing, distributing and processing cash. This cost does not include the cost of storage, transportation, security, detection of counterfeits, etc. To the printing cost, if we were to add the cost of storage and maintaining these currencies through ATMs alone, the cost of printing and disbursing currency comes to approximately Rs.70 per person per year. However, the interchange costs are much lower than Rs.70 per person. As of January 2010 estimates, there are around 60,000 ATMs in India. It costs around ₹ 7 lakh to install an ATM machine and an equivalent amount to maintain it for a year. Given that we plan to add 10,000 ATMs per year, the total cost of printing and distributing currency (through ATMs alone) amounts to ₹ 8,400 crore. In other words, the cost of printing and distributing cash constitutes about 0.2 per cent of India's GDP. Alternately put, a moderate growth of cashless transactions by five per cent a year will save more than Rs.500 crore annually. Therefore, there is a direct benefit (in terms of cost savings) of moving towards cashless transactions in India. However, it is the indirect benefits that are perhaps much more important for India, especially given the country's objective of inclusive growth.

A 2010 study by Moody's showed that global GDP registered an additional 0.2 percentage points in the growth rate because of electronic payment instruments. For 51 countries in their sample that, together, accounted for 93 per cent of the world's gross domestic product, electronic card usage added \$1.1 trillion in real dollars to private consumption and GDP from 2003 to 2008. With a very low cashless base, clearly, there are opportunities for India.

But how ready up are we to go cashless? How affordable is it for people to go cashless?

Our contention here is that there is no parity between Cash and Digital Money: a rupee paid by cash is far more convenient for a user, and affords less costs, as compared to a cashless system:

INFRASTRUCTURE ISSUES:

- **Number of citizens on mobile:** Not all Indians are mobile, leave alone connected. The latest figures from the Indian telecom regulator TRAI show that, as of 31st July 2016 - India had a teledensity of 83%, with Bihar, Assam, Madhya Pradesh and Uttar Pradesh with teledensity of less than 70%. While state-wise data for wireless teledensity is not available, it won't be very different, since most connections in India are wireless. Note that these are number of connections, not users, so you will have to discount this significantly, because many users have multiple SIM cards.
- **Number of mobile users who are connected to the Internet:** There were 342.65 million Internet connections by the end of March 2016, of which 20.44 million were wired connections. In total, 149.75 million were on broadband (3G + 4G + wireline broadband) and 192.9 million on "Narrowband". Narrowband Internet subscriber base was 192.90 million (2G and wireline broadband). For the top four telecom operators, the number of mobile connections that are data enabled in a manner that is more than 1mb or more than 10 mb per month is around 30%. So do we have enough people with mobile connections in India who have an Internet connection? Not close to a billion. How many people are online daily or monthly? According to Facebook India MD Umang Bedi, 165 million log on to Facebook on a monthly basis. How many go online daily? Only the telecom operators know.
- **Availability of reliable connectivity:** "When we were doing Aadhaar," TRAI Chairman R.S. Sharma said at an event WiFi in India, "and we said it will be an online infrastructure and identity. People were creating an online identity in a situation where connectivity doesn't exist. So there was a huge amount of pressure on us to



make it work offline as well. Our view was that we are creating a future-proof identity infrastructure. We don't want an infrastructure which becomes useless tomorrow. The future is online. The future is a connected world." But the future isn't now, and RS Sharma knows that: "Today with Aadhaar," he added, "I keep getting complaints that there isn't a tower in a place and therefore we weren't able to authenticate. Therefore, connectivity is a very serious problem."

➤ **Availability of user devices:** According to Idea Cellular CEO Himanshu Kapania, there are currently over a billion mobile phones in India: around 850 million feature/smartphones, and 150 million LTE enabled phones. Airtel India MD and CEO Gopal Vittal recently said that: "What we have found is that people with smart phones, not all of them use data. That number of people with a smart phone using data is probably around 60% to 70%. This is important because the most payments business don't support feature phones (do any?), and while we will see smartphone penetration grow, and we need feature phone support for now."

➤ **Merchant acceptance:** India had 712.5 million debit cards, and 130.53 million transactions, as of August 2016. That's around 18 transactions for every 100 cards. Credit Cards- Only 26.38 million in India as of August 2016, accounting for 83.95 million transactions. Demonetization might lend itself to greater utilization of cards, but there were only 1,461,672 point of sales machines in India, as of August 2016, according to the RBI in the entire country. In all likelihood, concentrated in major cities, with some merchants with have more than one machine, as backup.

➤ **Payment and mobile network capacity:** What we've seen with Demonetization and the increase in usage of cards and online payments is that somewhere in the value chain, banks and/or payment gateways were not in a position handle the load. Transactions failed. What we were told was that Visa wasn't able to handle the load. At present, there isn't sufficient capacity for the escalation in usage if everyone starts transacting digitally. More importantly, do we have the network capacity to deal with this? What happens in an emergency situation, when networks are down because everyone is trying to call everyone, as we've seen previously in India? If you don't have cash, and there is insufficient connectivity, how will you be able to buy anything, use public transportation etc?

➤ **Time taken for a transaction:** If you've driven through a toll booth, or paid for parking, you know that operators keep exact change because they expect notes to come in with a specific denomination. The time taken isn't usually to tender change for notes, but for printing a receipt. Watch a small shop selling high frequency purchases like mobile recharge cards, candies or cigarettes, and you'll see that the pace at which they close a transaction with a customer is critical for them: they don't typically give a bill for each transaction, and that's a problem when it comes to taxation. But from a user's perspective, think of the additional time it takes:

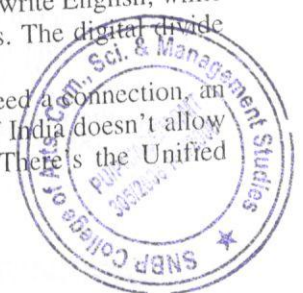
- For a card, you need to place it in a PoS machine, get a user to input a PIN, and if there is connectivity, wait for the merchant to get a confirmation before you can leave.
- For digital transactions, you need to get a user to scan a merchant QR code, authenticate with a PIN (ideally). Or, you need the merchant to send a payment link to a customer, for the customer to receive it, open a page, type in details and complete a transaction. Then wait for the merchant to receive a confirmation of the transaction before you can leave.

➤ **Security issues:** The weakest security link in any transaction is not the technology system, but the user, and their lack of understanding of security issues. To get a sense of this, to withdraw money from ATM's, some people were giving others their card and PIN numbers.

➤ **No privacy with cashless:** a switch to cashless means that each and every transaction is tracked and documented. This is great for governance, with taxation, but there is no protection for citizens, as to who owns that data, whom they can share it with, and how it will be utilized. India doesn't have a privacy and data protection law, and shamefully enough, the Indian government has gone to court arguing that there isn't a fundamental right to privacy in the country. To quote the Attorney General of India, representing the Union of India, in August last year: "Violation of privacy doesn't mean anything because privacy is not a guaranteed right" -Cash offers that relative privacy and anonymity, which the Government of India is trying to deny its citizens. The only cashless currency that affords anonymity is bitcoin.

➤ **Language compatibility:** Paytm has recently updated their application with some features enabled in Indian languages. However, most mobile handsets don't have an Indian language interface, as don't most applications and services. Apart from, no E-commerce company tried going the Indian language way. There's a part of the population in India which still isn't able to read and write, leave alone being able to read and write English, while we don't have phones that are in Indian languages and apps that aren't in Indian languages. The digital divide here is massive. Physical notes are a visual medium of exchange.

➤ **Interoperability issues (between payment systems):** cash is interchangeable: you don't need a connection, an application or an account to exchange cash. Here, you have a situation where State Bank of India doesn't allow payment into a Paytm wallet via netbanking, or wallet to wallet transfer isn't allowed. There's the Unified



Payments Interface, set up by the bank owned group NPCI, where the Reserve Bank of India has not allowed wallet to wallet transfers. Customers are locked-in whether it is to their bank account (because you need banking systems functional to transfer money) or to their wallets.

➤ **Cost of transaction:**

- **Merchant costs:** Merchants need a working Internet connection to accept digital payments. They need to pay a monthly rental for a machine, or a smartphone with an application to accept payments. On Credit cards, merchants are charged a merchant discount rate (MDR), an inter-bank exchange fee, of 2.5-1.7% per transaction. On debit cards, they need to pay 0.75% per transaction below Rs 2000 and 1% for transactions above ₹ 2,000. For UPI, merchants are charged 0.75% per transaction plus other costs (on par as debit cards.)
- **Customer costs:** You need a smartphone, an Internet connection and/or have to pay USSD charges (₹ 0.5 per session) and data charges when applicable.
- **Cost are applicable when cashless is converted into cash:** From an RBI paper on processing costs on cheques and ATMs: "The feedback received from different banks revealed the following – a total cost of Rs.1.95 per ₹ 1000/- which excluded the cost of insurance and dispensing cash at ATMs; the cost of dispensing cash through ATMs alone is approximately Rs.17 per transaction; the opportunity loss for holding idle cash would be approximately 9%; the cost per transaction at ATMs ranges from Rs.6.60 to Rs.15.88 in case of fully outsourced operations depending upon the service provider and area of operation."

Cash isn't the same as cashless (digital payments) because - Not enough people have mobile connections, an Internet connection (which can survive massive usage in times of emergency), or use it regularly, on a smartphone, which supports all Indian languages, with an application that supports all Indian languages. Internet connectivity isn't reliable or available or as cheap for users as cash. The process of making digital payments in India is not easy, and is time consuming. Making digital payments is costlier either for the merchant or the customer, or both. Digital payments can lead to major security risks, with adequate processes not in place for easy redressal, for either merchant or customer.

Above all, not enough is being done to educate the consumer, the weakest chain in the link. Digital payments aren't a single standard like cash: money in one type of account is not the same as in another type of account, and it is not interoperable, unlike cash.

Here's the thing: Cash might be more expensive for the government, because of tax evasion, corruption and the need to keep recirculating old, spoilt, currency, and enabling transfers, but digital is very expensive for citizens. What is happening here are a transfer of *cost of money* from government to citizens, and a massive collection of data?

But does that mean that there shouldn't be any cashless transactions? - Certainly not. The point is that we're not ready yet. Many of these issues mentioned above will be addressed one by one: connectivity will (hopefully) improve; Indian languages interfaces and operating systems developed, security improved, customer care improved, smartphone prices will come down, but the idea to force people into adopting cashless payments is foolish and unnecessary. When you don't have the wherewithal to meet the demand at that scale, this quickly. People are hurting, and there are no means of meeting that demand in the near term. The important thing is to give people choice, and switch people to cashless gradually. By creating an incentive structure for that switch, and that involves making cash more expensive than cashless and better enforcement.

CONCLUSION:

A major obstacle for the quick adoption of alternate mode of payments is mobile internet penetration, which is crucial because point-of-sale terminal works over mobile internet connections, while banks have been charging money on card-based transactions, which is seen as a hurdle. The low literacy rates in rural India, along with the lack of infrastructure like internet access and Power make things extremely difficult for people to adopt e-transaction route.

Here are ways in which cashless can be fortified by giving an indirect tax rebate for using cashless methods of payment, which brings parity between cash and cashless. Even online, merchants can be incentivized to charge less for digital payments, and more for cash on delivery. Digital Payments businesses have tried their hand with cash backs, and lower rates for digital purchases have already encouraged digital payments. Incentives could be given to businesses, which they can transfer to customers.

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INFORMATION TECHNOLOGY LED TO GLOBAL TRANSFORMATION

Umeshwari P. Patil

Assistant Professor, SNBP College of Arts Commerce Science & Management Studies, Pune.

Dr. Sudhir A. Atwadkar

Principal, SNBP College of Arts Commerce Science & Management Studies, Pune.

Polity refers to a social formation, of which state is but apart. The nation-state based polity is undergoing a transformation due to the imposing nature of ICTs led globalization. The states as a collective entity have no escape from the pushing impacts of digital technologies that have converted the world population into a single community with opportunities of instant connectivity, and dissemination of information through bullet-theory of injecting facts and figures into the mind of every member of global civil society. Several causes of this transformation of polity can be extracted from the intellectual discourses available in the existing research, predicting the consequences with tangible and explicit demonstrations of the same in the real world settings. The objective of this article is to juxtapose the diversity of research-findings into a compact piece of knowledge and present a theoretical model to comprehend this transformation and emergence of global polity.

Keywords: Information and Communication Technologies (ICTs), New Public Sphere (NPS), Globalization, Polity.

INTRODUCTION:

Polity is defined as a 'form of politically organized unit'. The term is used as synonymous for 'state' and 'government' in particular contexts. However, Aristotle used the term 'polity' to refer to a regime or rule. Regime primarily refers to norms, principles and procedures (Kranser, 1983), meant to form a socio-political whole, having various components, the relationship among these components and the fundamental norms governing these relationships. 'Power' remains the major concern in this relationship. The norms and principles of a polity guarantee responsible exercise of power (Bruyn, 2005). Thus 'polity' does not necessarily mean 'state', rather it refers to a social formation, a larger whole in which 'state' is but a part, joined by other actors in this power structure. The 'state' denotes a political society/sphere (Gramsci, 1971), separate from market and family- the realm of private. Between the two lies 'civil society' which mediates on behalf of the citizens with 'state' and 'market'. Market, though part of the private sphere has the potential to exploit the public by aligning with the state (Lipschutz, 2007). 'Public sphere' enables civil society for this mediation by supplying a powerful medium (Habermas, 1974) and completes the social whole. So the three overlapping structures of power construct the whole that may be called as nation-state polity. These three institutions are 'state', 'civil society' and 'public sphere'.

Historically, the 'state' emerged because it then offered the best remedies for then existing problems (Beaulac, 2004). Travelling back into the history, the temporal and spatial dynamics for the rise of state becomes clear (Ferguson, 2006; Ebo, 2007). The state restored peace both internally and externally, facilitated growing

market, established a consistent system of law and justice, and provided an alternative loyalty to the ethnic and religious split in Europe at that time (Mossberger et al., 2007).

Undoubtedly, the public sphere is an unavoidable component of a socio-political organization. It is the space where people come together as citizens and pronounce their autonomous views to influence the political theories and practices in the society (Habermas, 1974). Civil society is the organized manifestation of these views and the relationship between the state and civil society is the basis of democracy (O'Brien, 1999). Society emerges as a correlate of the state, meaning that it appears as a limit to state/government and as something to which the public authorities have to attend (Foucault, 2007:349). Civil society keeps state attached with its subject by shaping and channeling public debates over diverse ideas and conflicting interests (Castells, 2008).

The state has remained the most powerful component of polity at both domestic and international levels for almost two centuries (Waltz, 1979). This typical Western polity model was superimposed in other civilizations over other kinds of polities, identities, as well as loyalties (Ferguson, 2006). However, the contemporary wave of ICTs led globalization has profound impact on the nation-state based polity (Khan et al., 2012).

Communication tools have always been significant for the evolution of civilization and globalization, for these facilitated exchanges across nations (McNeil, 1998; Denmark, 2000; Fernandez-Armiesto, 2002). International exchanges in science, technology and culture have generally furthered the cause of civilization and globalization for certain material and cultural ends. Technologies, aspirations and communications-the stimulants for exchanges have been the significant determinants of global history in the past and are expected to continue this role in future as well (Tehrani, 2004).

An information-based civilization has emerged from the traditional industrial societies (Tehrani, 1990). Different labels have been used to identify it like 'Post-Industrial',

'Information', 'Knowledge', 'Postmodern' and 'Network' society. Modern ICTs offer variety of powerful and inexpensive communication tools and services. Over the last decade, social media have become an inevitable instrument for civil society worldwide (Hovland, 2005). Since the advent of the internet in early 1990s, the world's networked population has risen from the low millions to the low billions (Crack, 2007).

These high speed communication technologies have rendered the world virtually borderless (Chanda, 2008: 123). The use of these technologies include: regular citizens, activists, non-governmental organizations, telecommunications firms, software providers, governments etc (Shirky, 2011).

Dr. Sudhir Atwadkar

Owing to these dynamics, the territory based polity is undergoing transformation. The structures of power are moving from domestic to transnational levels (Sassen, 1996). Given these revolutionary transformations, some of the scholars argue that power is slipping away from the state to a variety of non-state actors (Held et al., 1999).

Nation-state based polity and globalization:

Without operating as a purely political process, globalization changes the political foundations of the world order (Clark, 1999). Globalization expedites political processes and sensitizes everybody to their outcomes. Accelerating communication, information flows, and exchange, the globalization structures a new environment for international to operate (Kapitonenko, 2009). Globalization professes the existence of a single socio-political space on a global scale, which is attributed to the gradual dissolution of boundaries due to intensified exchange across boundaries through increased interconnectedness between otherwise territorially bounded and distinct societies (Bartelson, 2009; Acosta and González, 2010). The geography has now become a question of association and connectivity and not the space (Latour, 1993). Likewise, 'globalization' means more than just internationalization as it refers to a new quality of social arrangements (Held, 2003). Transnational movements of people, goods, information and capital have generated a qualitative shift from the systems of states to a new world that knows little about the difference between domestic and international spheres (Luke 1993; Ferguson and Mansbach, 1996, 2004). The bagginess of globalized world itself speeds-up the dissolution of both bounded and autonomous nation-states, territorial geopolitics and their identities (Khan et al., 2011b).

Contemporary global polity resembles an intricate texture in which decision making centers are dispersed between and concentrated on multiple layers of political order as they are dispersed and concentrated geographically where some regions play more significant role than others (Katzenstein, 2005). Nation-state capacities for collective decision making as its central function have partly detached from its institutional structures within and between nation-states, and have been relocated to the transnational level where they have been institutionally transformed or even restructured in new institutional designs (Albert, 2007).

Even on national issues, social movements and groups these days strive to go beyond the nation-state, to connect with like-minded groups (Human Rights Watch or Amnesty International) in other countries, or their global umbrella organizations, to address demands not just to their own governments but also to foreign governments and international institutions (Kaldor, 2003). Globalization is creating a platform for the transformations in the role of states in world politics. However, by making internal political and social systems it weakens the sovereignty in international relations (Kapitonenko, 2009). The dominant character of 'state' in nation-state based polity

has been challenged, giving way to redefinition of power politics at all levels.

Dynamics of transformation:

The 21st century is witnessing globalized human activities ranging from economic transactions, politics and culture, to warfare. These activities flow across the traditional barriers of state creating a new world entitled by Paul Friedman as a flat world (Friedman, 2005). Globalization is not superimposed on the society, individuals, networks and civil society, rather, it is created and shaped by individuals and groups every day (Drache, 2008). The transformation of polity has been brought about by a number of factors.

Globalization:

Globalization is a dynamic process which characterizes transformation in the spatial organization of social relations and transactions thereby generating trans-continental or interregional flows and networks of interaction and exercise of power (Held et al., 1999:16). The salient attributes of globalization are its social basis, economic and political dimensions, and its potential of integrating a range of so far nationally demarcated activities across state boundaries (Beeson, 2003). The transitions in the mode of production of hunting and gathering societies to agrarian, commercial, manufacturing and information societies are rather well known. Each transition involved substantial transformations in the political, economic and social systems (Tehrani, 2004).

Contemporary transformations characterized by globalization do not refer to the end of politics rather its relocation somewhere else (Toffler, 1991). The national or international dualism no longer determines the structure of opportunities for political activity; instead it is now located in the 'global' platform. Global politics have turned into global domestic politics, which deprive national politics of their boundaries and foundation (Beck, 2006:249). This process shapes a social system with functional capacity to work as a unit globally in real or chosen time. Capacity here refers to technological capacity, institutional capacity (i.e. deregulation, liberalization, privatization), and organizational capacity (Castells, 2008).

Eroding State Sovereignty:

Apparently, the decline of state-power has driven a diffusion of authority away from national governments and created the problems of non-authority and an ungoverned (Strange, 1996:14). Erosion of state sovereignty is propelled by internal social developments, mushrooming of new ideology and the rise of non-state actors at the national and transnational level (Kreijen, 2002). This erosion is generally considered a consequence of globalization (Beeson, 2003). The erosion of sovereignty and national security have emerged as major problems for the whole world (Chatter, 2008). Globalization provides a new context for the development of the state-centered system (Kapitonenko, 2009).



zation are actually fostering a system that can be fatal to the sovereignty of their own state (Strange, 1996). The most colossal change in the world order setting since the Peace of Westphalia that concluded the war of thirty years. According to its provisions, sovereign states became the elements of the international system (Jackson and Owen, 2000). They substituted a variety of international actors like empires, the Emperor, dynasties, and the like. Thus, starting from the mid-17th century, international relations have been predominantly inter-state but this epoch of history seems to be changing (Khan et al., 2012).

Information Technologies:

Information technology refers to computers, software, networks, satellite links and related systems that enable users to access, analyze, create, store and use data, information, and knowledge in unprecedented ways. The terms 'ICT' and the 'internet' though not synonymous but are almost interchangeably used (Beebe, 2004). It is better to comprehend ICT in perspective of creating a new set of relationships and spaces, an agora rather than as a high-tech arena. It is one more global field for competition over the distribution of resources and information and the most importantly, power (Van Dijk, 2006).

Information technologies not only provide information but also tools that have the potential to extend the role of the citizens in the social and political space. The mushroom growth of online political groups and activism certainly depict political uses of the internet (Owen, 1996; Browning, 1996). The internet and allied technologies by their nature can supplement opportunities for self-expression and foster civic activities (Castells, 2008).

ICTs can easily merge into each other to raise connectivity and accessibility (Kleinberg, 2008). ICTs by enabling a horizontal network of global communication provide a variety of tools for organizing and conducting public debate and have the potential to raise collective decision making (Nawaz, 2012).

ICTs have opened new avenues for governance (i.e. e-governance) but on the contrary these have strengthened the capacities of civil society by facilitating vibrant and extensive public sphere (Dahlgren, 2005) and thus are facilitating transformation of polity (Crack, 2008; Castells, 2008). ICTs enable political actions with utter disregard to territory, and by fostering public spheres and fresh social movements (Min, 2010). The Internet has evolved to become a major hub of entertainment, education and community (Bartle, 2006:31) and it has a bright future in the field of business, research and politics (Balkin and Noveck, 2006). ICTs can help bridge the trust deficit among the nations by information exchange facilities and thus have the potential to ameliorate misperception and, ultimately bring more security, harmony and less violence (Kapitonenko, 2009). These features of ICTs show the social, political and economic ramifications of ICTs.

Emergence of Transnational Businesses:

The developments in information technology along with the policies of deregulation and market liberalization across the

globe have led to intense economic interdependence (Stopford, 1998), and the consequent externalities resulted in the sprouting of non-state actors of global character like TNCs. TNCs have steadily turned out to be the icons of new power structures in the global economy. These corporations work across state borders to pursue their own interests' and not of the state they officially belong to (Kapitonenko, 2009). Some see them as hard nosed exploiters, but others view them as torchbearers of prosperity (Mazlish, 2012).

TNCs have developed global networks of production and marketing that have transformed economic geography (Dicken, 2003). Traders, along with preachers, adventurers, and warriors have always connected dispersed human communities and civilizations, and paved the way for the emergence of the interconnected society we now label globalized (Chanda, 2008).

The emergence of TNCs poses a challenge to the conventional understanding that international politics is determined by states in the formal Westphalian state system (Deibert, 1997). Moreover they further blur the distinction between the domestic and the international, challenge the notion of 'state' as the ultimate authority at home, and reduce the significance of access to territory (Kobrin, 2001). TNCs are prime cause and result of globalization (Mazlish, 2012) and as a result major stimulant for transformation of polity.

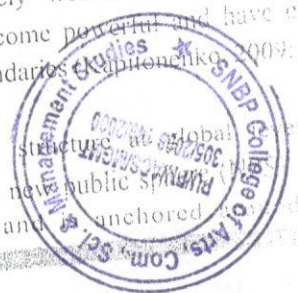
Rise of Mundane Issues:

The intensified connectivity, interdependence and historically matchless production of commodities have resulted in variety of mundane issues, i.e. political, economic, social, biological and environmental (Crack, 2007). State seems incapable for dealing with such modern issues like climate change, global terrorism etc. The rising incapacities of state pave the way for the involvement of other actors for resolving these issues. Moreover this also reflects a gulf between the spaces where these mundane issues emerge (global) and the spheres of power where these issues are dealt with (nation-state). This also provides the rationale for the transformation of polity from nation-state (local) to global realm (Castells, 2008).

Emerging global polity:

ICTs led globalization has profound impact on the nation-state based polity amounting to a transformation. This transformation has shifted the centers of power from local to global level, and has been compelling to redefine the conditions of interplay among the constituent components of the new polity. The argument in the above section refers to the fact that 'state' capacity to deal with the contemporary issues has decreased and that the new actors have come forth to fill the gap (Kobrin, 2001). Civil society and public sphere, comparatively weaker elements of nation-state based polity, have now become powerful and have extended beyond the nation-state boundaries (Kapitonenko, 2009; Khan et al., 2011b).

So the emergent political structure at global level reflects three major components. A new public sphere which is transnational in nature and anchored in global



communication networks. The second component of this political structure is 'global' civil society which is an organized expression of the norms, values and interests of global society (Keane, 2003). A network state is the third component of the global polity which is reflected in the emerging global governance structures (Castells, 2008). Figure 1 illustrates the theoretical model of the transformation of polity.

Global civil society:

Civil society is generally referred to as a domain of social belief and action separate from politics and economics, that is composed of individuals, families, groups, movements and organizations beyond the grasp of the state-authority and selfishness of the market (Lipschutz, 2007). Voluntary realm and the public sphere of discourse are shifting from the mass-media to interactive websites (Castells, 2008). Most appropriate to the global setting, networks can shape social associations without the constraints of space or co-presence (Khan et al., 2011a).

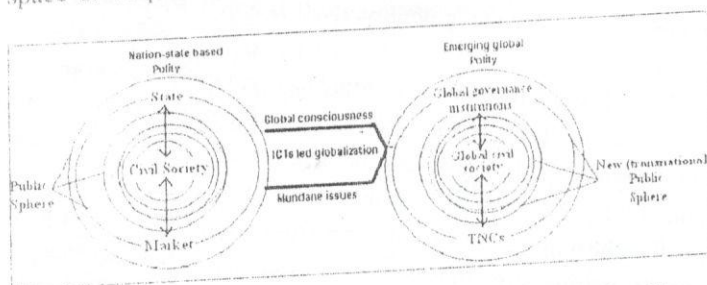


Figure 1. Theoretical model for transformation of polity

Civil societies have generally been defined at the level of nation-state where group identity derives from citizenship in a territorial state (Schwartz, 2003). However, today, transnational networks are facilitating civic engagements across the borders of territorial state. This shows that shared interests can also play the role of binding agent like shared geography or identity (Khan et al., 2012).

The contemporary civil society is the arena where individual negotiates a social contract not only with the state but also with layers of institutions at the local, national, regional and global levels. Moreover, it is not just an arena made of progressive cosmopolitan ideas; it also includes national and religious militants, corporate lobby groups and a multiplicity of opinions (Keane, 2003). Many term this transnational version of civil society as global civil society which mediates with state, global governance structures and corporations for progressive ends (Kaldor, 2007).

Global Public Sphere:

Prima facie, there seems a shift from a public sphere constituted around the national institutions of territory-based societies to a public sphere anchored around the transnational media system (El-Nawawy and Iskander, 2002; Paterson and Sreberny, 2004). The contemporary media comprises of traditional media like radio, and the print media, as well as a diversity of modern multimedia and communication systems like the Internet and horizontal networks (Dahlgren, 2005; Tremayne, 2007).

Bennett, 2008). The new public sphere is a multi-discursive political space, a global sphere of mediation, with no center or periphery. The agenda setting and contexts are shaped and mediated by autonomously operating media systems (Castells, 2008) and the citizens themselves (Khan et al., 2012).

The international citizens due to their transnational activism facilitated by ICTs are shaping 'digital publics'. ICTs convert an ordinary citizen into international citizen by providing him/her the unlimited social possibility to innovate and form discursive communities of choice. Global activism is reflected in signing petitions, starting boycotts, creating art, breaking copyright laws, file-sharing, blogging, and engaging in elite challenging activities (Drache, 2008:63). These 'digital publics' are no longer confined to their self-constructed silos. Instead they are talking to one another, and unafraid to voice their opinions (Khan, et al., 2011a).

It is well recognized that everything affects everything else and different campaigns don't compete rather they reinforce each other (Neale, 2002:105). It is evident that informatic civilization is generating a new global consciousness, which is based on an increasing awareness of the global ecological and economic interdependence, clashes of culture and the need for dialogue for democracy (Tehranian, 2004). In this age of communications ordinary citizens are more informed than they used to be and are demanding more of the state, at a time when most states and their leaders are seemingly unable to provide (Ferguson, 2006). Thus, the NPS with its revitalized 'publicness' is facilitating global civil society with the required medium to mediate with the layers of political authorities (Castells, 2008).

Rise of Global Governance:

A single global political authority is not visible at the global arena however; there are millions of control mechanisms for the management of transnational policies (Rosenau, 1995:9). These mechanisms range from the primary to the embedded, from informal modes of consultation to formal decision making arrangements. The planet is ordered according to certain rules, regimes, and norms that enjoy widespread legitimacy (Crack, 2007). They cover a range of current issues for example, climate change, fighting terrorism and managing global economy. This rising institutionalism denotes transformation from national government to global governance (Khan et al., 2012).

The emergence of global governance matches the organizational shift from the mass society to a network society (Castells, 1996). State governments use the typical structural characteristics of mass society where authority is centralized in a hierarchical and vertically integrated bureaucracy. On the contrary global governance networks are hierarchical and horizontally integrated. Some centers in the network are more influential than others because of their international legal status, legitimacy and resources (Crack, 2007). Globalization has been with us for centuries, however, efforts to govern the interconnection

need by it are not very old (Chanda, 2008; Sloterdijk, 1993) and this is the reason for the immaturity of global governance institutions. Nevertheless, relocation of state authorities in the global institutions is reflected in the increasingly merging economic, political, security, and ecological institutions (Azlish, 2012).

DISCUSSIONS:

Many scholars have pointed to the fact that this transformation is initiated by economic forces that are seeking higher profits in a global space, and is facilitated by the rapid development of technologies in the field of communication, transportation, media and production (Wriston 1992). The primary characteristic of globalization is that geographical distance becomes irrelevant and territorial boundaries become less significant (Scholte, 2000).

It is contentious that whether the establishment of global governance institutions is also accompanied by trends of transformation of polity on a global level (Zubair et al., 2011b).

Most theories of international relations still assume a nation-state context in which territorially bounded political societies interact in the absence of centralized authority (Bartelson, 2009). In order to make sense of contemporary global developments, state-centric theories of international relations needs to be abandoned in favor of a planetary or global vantage point (Bartelson, 2010).

It can be argued that 'globality' is being constituted by arising common consciousness of human society on a planetary scale through an increasing awareness of the human and social relations as the largest constitutive framework of all relations (Shaw, 2000). Furthermore, there is growing awareness and consideration of the argument that globalization is not simply a bottom-up process leading to the emergence of global networks and structures that link preexistent institutions on sub-global levels: the concept of society on a global scale customarily implies that there is something like a planetary social whole in a meaningful analytical sense as well (Albert, 2007).

The state is increasingly enfeebled today (Ferguson, 2006). It finds itself bounded by competitors offering alternative rules and norms or global politics. The monopoly of state in international politics is over: interstate relations are turning into transnational realm. These transformations are marked by the erosion of a increasing interdependence of the various international actors, and globalization reinforces this interdependence (Kaptonenko, 2009).

Global economic and cultural forces are increasingly becoming successful. Furthermore, the communication technologies such as the World Wide Web have contracted the world so closely that more than half of the top hundred economic entities have become more homogenous and more connected to than ever before (Camilleri and Falk, 1992). Thus, the rise of transnational actors and a global civil society have transformed the inter-state system and directly affected the construct of sovereignty (Deibert, 1997). They have further distorted the line between the domestic and the

international, compromised the idea of states as the ultimate authority, limited the significance of access to territory, and raised questions about the significance of actors in the global system (Kobrin, 2001).

Thus, the rise of new global sociopolitical realm, different from the Westphalian state system can be envisioned. It exists in transnational spatial formations, a new social whole fastened in norms and aspiration as well as institutional networks beyond the states (Ruggie, 2004:519). However, globalization has not led to the elimination of states rather states are a product of globalization and of actions of individuals and groups (Bayan, 2008). Globalization is expected to create a situation where states will continue to coexist but with global forms of authority.

CONCLUSIONS:

The nation-state polity is being transformed into a planetary polity. The transformed polity is reflecting itself in global civil society, global public sphere and institutions of global governance. This does not necessarily suggest an extension of nation-state based institutions and concepts into their global equivalents rather the 'globality' itself is a new social whole on planetary scale.

ICTs led globalization is creating an environment in which sovereignty of the state is eroding and getting relocated in transnational realm. The state is increasingly getting enfeebled and giving way to transnational actors for its incapabilities to resolve the mundane issues of twenty first century. Civil society is rapidly getting strengthened and expanded beyond state territories. ICTs enabled NPS is boosting the powers of global civil society actors striving to establish networks of civic societies globally.

Obviously, a global community requires a uniform set of ethos as the base on which it agrees therefore as the world gets globalized, there is increasing demand to widen the scope of a common ethical code. However, the contemporary platforms and processes to deliberate on these issues are not quite inclusive and democratic. With regard to issues on human rights, democratic freedoms, environmental challenges, business ethics and warfare, there is a need to consider the shared global values and their transformation into rules about enforcement and inspection. Philosophers, scholars and policy-makers need to ponder upon and research those issues.

However, in the global polity, political authorities at global level are far from clear. The need for effective global governance has emerged from the mundane issues like global environmental, financial and security crises. The globalized world is in need of sophisticated and inclusive mechanism of global governance than what it has at the moment. Furthermore, effective economic and political governance at global level requires the involvement of governments, private sector, a broad range of civil society groups and international organizations like global NGOs. The technological and cultural exchanges have always shaped human civilization and ways of governance, and it is expected that ICTs enabled civilization would also foster effective governance.



structures at global level.

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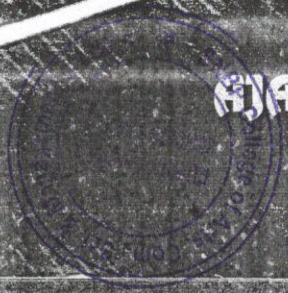
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PART - I

ANANTA PRAKASHAN





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1

Customer Satisfaction and Internet Banking In Context to Marketing Mix in Selected Region of Maharashtra

Dr. Sudhir Atwadkar

Principal, SNBP College of Arts Commerce Science & Management Studies, Pune.

Prof. Umeshwari P. Patil

Assistant Prof., SNBP College of Arts Commerce Science & Management Studies, Pune.

Abstract

Globalization creates huge opportunities and brings the various ways to do business. Technology has brought a complete paradigm shift in the functioning of banks and delivery of banking services. Today, most of the transactions can be done from the home and no need to visit branch for anything. The growth of the internet and communication technology has added a different dimension to banking. The information technology (IT) available today is being leveraged in customer acquisitions, driving automation and process efficiency, delivering ease and efficiency to customers. Customer satisfaction (CS) with internet banking services has not received much attention in the literature. In recent days many of studies have looked at CS in many different industry contexts in different countries. With the exception of few studies conducted in e-banking context in India and Maharashtra. The main purpose of this study – how the customer aware with the internet banking? Which determinant affected to customer decisions? How satisfied are customer with existing internet banking? This paper empirically examines CS with internet banking in context to 7Ps. The objectives of this study are - to examine the factors affecting to customer satisfaction in context mix, to evaluate the customer satisfaction towards internet banking. With focusing the objectives, the methodology is adopted- the primary sources were in-depth Interviews and Questionnaire and secondary data. Considering time and budget constraints the data was collected from the Satara.

Key words: Internet, Satisfaction, Technology,

PART-I

Dr. Sudhir Atwadkar



PRINCIPAL

SNBP College of Arts, Comm., Sci. & Management Studies
Sant Dnyaneshwar Nagar, Morwadi, Pimpri, Pune-18

1. Introduction

Day by day the banking environment has become more & more competitive. To survive, sustain and grow in ever changing market, banks are developing the various advance strategies. Banking organizations are going for the latest technologies and updates which are considered as resources that can help more bendable structure and respond quickly to the fast changing market circumstances. The globalizations change the face of business by adding technology. The growth of technology such as computerization, mobile, internet, etc. has added a different dimension in business and banking industry is not exempted. It is also considered as tool to reduce the time, supervision and ultimate cost. It develops the effective communication and relation with the customers and associate of the banking business.

Today an information technology presents massive opportunities and openings to improve the effectiveness and performance in the functioning of banks. IT helps to banks introduce the various products like ATM, Debit/Credit Cards, mobile & internet banking etc. The introduction of various technological products has added a beneficial impact on both banks and customers. Choosing the right path of technology adoption will be an instrument not only to improve the operational efficiency of banks but also to serve customer better which is the ultimate aim of any organization. As consideration of technology revolution in banking sector India is somewhat slow. In the mid of 1980's the process of computerization started in India. The person of banking industry has opposed to accept the technology in the initial stage of technology revolution in banking. But there has been a considerable change in the behavior of banking associate and the banking industry come on track to access the full potential of advance communication and information technology. IT facilitates the sophisticated product development, better market infrastructure, implementation of reliable techniques for control and minimizes risk. It helps the financial intermediaries to reach geographical distant and diversified market. The IT available today is being leveraged in customer acquisitions driving automation and process efficiency delivering ease and efficiency to customer and ultimate satisfaction and retains them.

Customer Satisfaction (CS) is a person's feelings of pleasure or disappointment resulting from comparing marketing mix's performance in relation to his/her expectations. It is well scripted that the measurement of CS regarding the quality of services provided by the organisations is a necessary means by which organisation deliver into the minds of its customers for useful opinion that could form the basis for successful policy. Since the bank



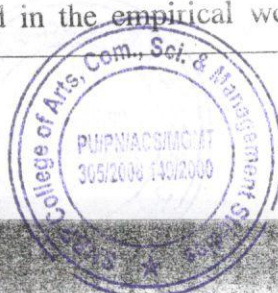
exist to satisfy customers by meeting their requirements, it is crucial for banks that offer internet banking services to periodically and consistently measure the satisfaction of their customers. As the customer use the internet banking, it might be that they are not satisfied or some extend with certain dimensions of quality of services.

Customer satisfaction (CS) is the major area of any business. CS has been recognized as an important element that drives customer pre & post purchase behavior. CS is reflects from customer loyalty and retention. CS with internet banking services has not received much attention in the literature. In recent days many of studies have looked at CS in many different industry contexts in different countries. With the exception of few studies conducted in e-banking context in India. There is very limited empirical work in the area of customer satisfaction in the internet banking in India. This could force more research work. Therefore the main questions of this study – how the customer aware with the internet banking? Which variables affected to customer decisions? How customers delight with existing internet banking? Current marketing mix strategies are fulfilling the need of customer. With consideration of these reasons, this study examines CS with internet banking in context to marketing mix. The present study carried out with the following objectives:

- To study the awareness towards online banking.
- To examine the factors affecting to customer satisfaction in context to marketing mix.
- To evaluate the customer satisfaction towards online banking in context to marketing mix.

2. Literature Review Conceptual Framework:

Review of literature: 75% market holds by Indian public sector banks and they are moving towards the centralized database and decentralize decisions making process. As far as banking industry in India is concerned it can be said that although the Indian banks may not be as technologically advanced as their counterparts in the developed world, they are following the majority of international trends on the IT front (Mittal & Gupta 2013). The IT changes the pace of banking. Mobile bank and internet banking are going to make indoor in the banking sector in the near future. IT systems are complex and sophisticated but they are “energy guzzlers” (Sreelatha & Sekhar 2012). According to the Nimako, Gyamfi, Wandaogou (2013) emerged dimensions for the internet banking service quality contexts are: web design, customer service, assurance, preferential treatment and information provision. Li and Suomi (2009) studied internet banking service quality is, thus, conceptualized as a construct with five dimensions that were identified in the empirical work of. The satisfaction is typically



measured as an overall feeling or as satisfaction with elements of the transaction in terms of its ability to meet customers' needs and expectations (Fornell and Bitner, 1992). The perceptions are the distinct view towards the government and the public services which may seem blurred in the eyes of many, and therefore, the satisfaction is the honesty and integrity in their assessment of the services that they receive from these institutions (Dinsdale and Marsden, 1999). Customer delight is profoundly positive emotional state generally resulting from having one's expectations exceeded to a surprising degree (Rust and Oliver 2000). CS is conceptualized as an overall customer evaluation of a marketing mix based on buying and consuming experiences over a time period (Anderson, Fornell & Lehmann 1994). As Danaher and Haddrell concluded that the disconfirmation scale is a preferred method in measuring CS. The five-point disconfirmation scale would be an improvement over the three-point scale if high predictive validity is essential. There is dispute that since cumulative satisfaction is based on a series of purchase and consumption experiences, it is more helpful and reliable as a problem-solving and forecasting tool than the transaction perspective that is based on a one-time purchase and consumption experience. Therefore, the study conceptualizes CS as cumulative measured from the last one year of being an internet banking customer. In this study, a five-point disconfirmation scale was adopted from strongly agree to strongly disagree. Therefore, overall CS and various dimensions of internet banking would be measured using five-point disconfirmation scales.

Conceptual Framework: Consumer behavior is the study to processes involved when an

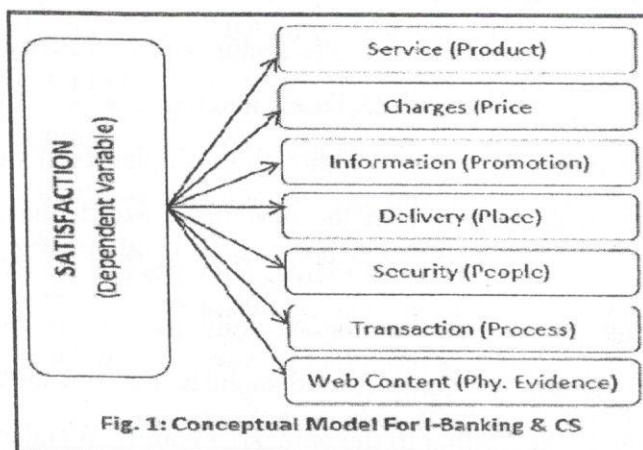


Fig. 1: Conceptual Model For I-Banking & CS

individual select, buy, dispose of product, service, idea or experience (marketing mix) to satisfy or fulfill needs and desire. CS is the post purchase behavior of the consumer. It is a person's positive or negative feelings towards marketing mix as comparing their expectations. The loyalty affects by the satisfaction. Hence the forming marketing strategy, firms should consider the consumer

and their needs and expectations which lead to the satisfaction (Dick and Basu, 1994). As internet become new channel of delivery and expands, it is important to know the customers attitude, intent and post behavior in the light of internet banking. Means why they like or dislike using it? Consumers feelings seems have a major pressure on decisions yet individual feelings do not, by themselves



influences one's intention or behavior. Instead that intention or behavior is a result of a variety of issues relevant to the situation at hand, in study internet banking. The emerged issues for the internet banking service quality context are: web design, customer service, assurance, preferential treatment and information provision. Web design covers the design of the web site and includes items like web content layout, content updating, navigability, and user-friendliness. Customer service has been recognized as an important element for enhancing service quality in online banking. This dimension has to do with service reliability, customer sensitivity, personalized service, and fast response to complaints that have been described as responsiveness to customer needs and complaints. Assurance is one of the critical elements of online banking service quality. The assurance dimension describes impressions by the service providers that convey a sense of security and credibility. Security and privacy are related items that affect the confidence to adopt online banking services. Preferential treatment is related to the added value of using internet banking services. Where customers perceive that the incentive of online banking is attractive then they would be more willing to use internet banking. Information provision has become one of the key elements of online service quality as customer would need the right information that enables them complete online banking transactions successfully. Identification of 7Ps and satisfaction affected on internet banking behavior of customer has been a thrust area of past researches. There is a conspicuous dearth of empirical studies examining internet banking in India. A systematic presentation of 7Ps under investigation in present study is provided in Figure 1. In this study, based on a thorough review of literature the conceptual model presented in Figure 1. It depicts the elements of internet banking for which customer satisfaction was measured. This model was adopted for two reasons – first, the model was based on extensive literature review. Secondly, the elements in this model are validated and applicable to internet banking context. The hypotheses for the present study are -

- H1: Services have significant impact on CS of internet banking.
- H2: Cost have significant impact on CS of internet banking.
- H3: Information has significant impact on CS of internet banking.
- H4: Accuracy & Delivery have significant impact on CS of internet banking
- H5: Security & Assurance have significant impact on CS of internet banking.
- H6: Treatment & Transactions have significant impact on CS of internet banking.
- H7: Web Content have significant impact on CS of internet banking.

3. Methodology

Focusing the objectives of the present study, the study applied both qualitative and quantitative researches. Through the review of literature the exploratory study was done which facilitated in rationale and extraction of the important variables and factors. A survey



was conducted with the help of structured questionnaire. Data was collected from primary as well as secondary sources. The primary sources were in-depth Interviews and Questionnaire whereas secondary sources were newspapers various publications, books and internet. Considering time and budget constraints the data was collected from the Satara area of Maharashtra, India. Questionnaire was pilot tested on a sample of 20 to ensure the validity of the survey instrument. The sample size for questionnaire was 200. However, incomplete responses, not answered questions, invalid answers, etc, was eliminated and the final sample size is used for analysis was 192. Responses to each question ranges from 1 to 5 i.e. 1= strongly disagree, 2= Disagree, 3 = neutral, 4 = Agree and 5 = strongly agree indicating customer satisfaction towards internet banking. The sample was mainly collected from main area of Satara City.

3.1 Sampling Technique: Judgmental and snowball sampling were used. Through the judgmental sampling the initial set of respondents was selected. On the basis of information given by initial sample units subsequently additional units were obtained and then additional referrals were taken from those selected in the sample. In this way sample was grown by adding more and more reference based respondents. The following consideration was adopted for Judgmental sampling:

- The sample comprised of people who have done Internet Banking.
- Only those people were part of sample who done the I-banking one year or more than.
- The sample was selected from different part of Satara area assuming high internet banking diffusion rate.

3.2 Statistical Tool: The collected data was analysed through the statistical tools- Weightage Method, Correlation and Regression to meet the research objectives and to test proposed hypotheses.

4. Analysis and Result Discussion

Customer satisfaction was measured as responses of consumers towards utilization of the different internet banking services. Out of 192 individuals, all respondents actually filled in and returned the questionnaire to researcher for evaluation. The collected primary data has been analysed in the form of tabulation, analysis of descriptive statistics and correlation analysis and testing of hypothesis.



Table No. 1: Factors Influences while using Internet Banking.

No.	Factor	SA	A	N	DA	SDA	Average	Rank
1	Services	50	69	46	24	3	143.0	II
2	Cost	39	60	51	27	15	131.4	VII
3	Information	49	69	38	22	14	138.6	III
4	Assurance	44	54	68	19	7	137.0	IV
5	Security	57	72	33	20	10	144.4	I
6	Treatment	32	40	58	44	18	120.0	IX
7	Accuracy	43	62	31	37	19	129.8	VIII
8	Transaction Speed	40	49	82	17	4	136.0	VI
9	Web Contents	36	57	82	13	4	136.8	V
10	Ability to Use Internet	21	44	73	38	16	118.4	X

The study shows that the most important factor which influences the customer while using internet banking is Security. Secondly, most of the respondents are influenced by Service getting by

banks. Followed by Information is the third and Assurance the forth influencer. At the same time Web Contents and Transaction Speed is on fifth and sixth rank. Cost and Accuracy is on seventh and eighth rank whereas with low score, Treatment and Ability to Use Internet are on ninth and tenth influencer to the use of internet banking.

Correlation & Regression Analysis:

Table No.2: Reliability Statistics

Cronbach's Alpha	N of Items
.621	24

Correlation and Regression analysis is carried out by the use of Microsoft Excel and SPSS (17.0).

Through this analysis, Reliability of the data, development of relationship between independent and dependent variables (correlations), and validity of the model and testing of Hypothesis has been found out. Reliability of data was found by 62.1 percent which was collected through independent and dependent variables. Correlation analysis dictates following:

Table No.3: Correlations

		Service	Cost	Information	Accuracy	Security	Transaction	Web	Satisfaction
Service	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	192							
Cost	Pearson Correlation	.489**	1						
	Sig. (2-tailed)	.000							
	N	192	192						
Information	Pearson Correlation	.523**	.570**	1					
	Sig. (2-tailed)								
	N								



	Sig. (2-tailed)	.000	.000					
	N	192	192	192				
Accuracy & Delivery	Pearson Correlation	.396**	.322**	.549**	1			
	Sig. (2-tailed)	.000	.005	.000				
	N	192	192	192	192			
Security & Assurance	Pearson Correlation	.116	.241	.232	.249**	1		
	Sig. (2-tailed)	.630	.051	.069	.000			
	N	192	192	192	192	192		
Treatment & Transaction	Pearson Correlation	.323**	.420**	.471**	.488**	.321**	1	
	Sig. (2-tailed)	.001	.000	.000	.000	.001		
	N	192	192	192	192	192	192	
Web Contents	Pearson Correlation	.114	.217**	.232	.261	.296**	.248	1
	Sig. (2-tailed)	.687	.002	.151	.071	.000	.558	
	N	192	192	192	192	192	192	192
Satisfaction	Pearson Correlation	.791	.237	.647	.502**	.696**	.409	.573**
	Sig. (2-tailed)	.005	.106	.062	.000	.000	.012	.000
	N	192	192	192	192	192	192	192

** . Correlation is significant at the 0.01 level (2-tailed).

- Satisfaction and service (product) has strong relationship as indicated by 79.1% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.
- There is strong association of satisfaction and security & assurance (people) by 69.6% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.
- Strong association has been found between satisfaction and information (promotion) by 64.7% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.
- Satisfaction and Web Contents (physical evidence) have relationship by 57.3% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.
- Satisfaction and accuracy & delivery (place) have relationship by 50.2% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.
- There is relationship between satisfaction and treatment & transaction (process) indicated by 40.9% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.



- Satisfaction and cost (price) have relationship by 13.7% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

Table No.4: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.382 ^a	.238	.583	6.00955	.239	6.955	7	184	.000	1.731

a. Predictors: (Constant), Web content, Service, Treatment & Transaction, Security & Assurance, Accuracy & Delivery, Cost, Information

b. Dependent Variable: Satisfaction

Through Regression analysis only total 58.3 percent satisfaction of customers depends upon the independent variables i.e. service, cost, information, accuracy & delivery, security & assurance, treatment & transaction, web contents.

5. Testing of Hypotheses:

Table No.5: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	Service	.670	.087	.662	.823	.412
	Cost	.055	.073	.063	.753	.453
	Information	.422	.131	.332	.175	.861
	Accuracy & Delivery	.240	.124	.219	.107	.036
	Security & Assurance	.411	.142	.582	.268	.024
	Treatment & Transaction	.179	.082	.172	.971	.333
	Web Contents	.247	.069	.314	.387	.000

a. Dependent Variable: Satisfaction

Hypothesis 1 - Services have significant impact on CS of internet banking.

Services has significant impact on CS of customer of internet banking by 66.2% if provides personalize services, Validity of hyperlinks, attention on quality and perform services correctly are to be monitored by the hierarchy of the organisation. The analysis shows that Hypothesis # 1 stands true.

Hypothesis 2 - Charges have significant impact on CS of internet banking.



Charges influences overall satisfaction of customer 6.3% if Reasonable charges for online transaction is to be facilitated by the management authorities of the bank. The result shows that Hypothesis # 2 holds true.

Hypothesis 3-Information has significant impact on CS of internet banking.

Information influences the satisfaction by only 33.2% in complete and sufficiency of information and updates are informed time to time are to be given by the management authorities of the banking organisation. The result shows that Hypothesis # 3 holds true.

Hypothesis 4 - Accuracy & Delivery have significant impact on CS of internet banking

Accuracy & delivery has strong impact on satisfaction of the customer by 21.9% if reliability & credibility of customer transaction is to be ensured by the organisation. This result shows that Hypothesis # 4 stands true.

Hypothesis 5 - Security & Assurance have significant impact on CS of internet banking. Security & assurance have strong impact on satisfaction 58.2% if prompt reception of responses, ability to guide customer to resolve problems and protection & security of customer transaction data are to be ensured by the bank. The result shows that Hypothesis # 5 holds true.

Hypothesis 6-Treatment & Transactions have significant impact on CS of internet banking.

Treatment & transactions influences the satisfaction by 17.2% in Quick response, accuracy in process and quickness of the webpage loading on bank portal are provided by the banking organisation. The result shows that Hypothesis # 6 holds true.

Hypothesis 7-Web Design has significant impact on CS of internet banking.

Web design has strong impact on CS of customer of internet banking by 31.4% if provides easy understanding & qualitative design of web page portal of banks, helping & securely complete a transaction are to be ensure monitored by the hierarchy of the organisation. The analysis shows that Hypothesis # 7 stands true.

6. Discussion and Findings:

After collecting the data from respondents and analyzing the following observations have been found -

- It is observed that most (51%) of the respondents are strongly agree & agree with personalize banking services provided while using internet banking. Provides



attention on quality and perform services correctly, majority of the respondents are neutral. Whereas, most (43%) of disagree with the validity of hyperlinks on bank portals.

- While using the internet banking the respondents consider several factors. These factors are directly or indirectly affected to the satisfaction level of respondents. Security, Service, Information, Web Contents and transaction speed majorly influences to the customer and there satisfaction level.
- It is observed that 37.40% respondents agree with the prompt responses to the customer request and 29% respondents are neutral with ability to guide customer to resolve problems. 26% & 22% respondents are agreeing and disagree with protection and security of customer transaction data whereas 20% are neutral. The study shows that 27% respondents are neutral with complete and sufficiency information provides by the bank whereas 26.50% & 22.50% respondents are disagree and neutral respectively with updates are inform time to time.
- It is reveals that 33% and 25.50% respondents are agree and disagree whereas 24% respondents are neutral with the banks apply reasonable charges for online transaction.
- The study finds out that most of respondents strongly agree (28.50%) and agree (23%) with the reliability & credibility whereas 25.50% respondents are feeling of relief of customer to transact on internet banking.
- It is indicate that 28% & 28.50% respondents agree with easy understanding and qualitative design of web portal of banks. 25% & 24% respondents thinks that it helping & securely customers to complete a transaction.
- The study indicate that 31% & 23.70% respondents are disagree and neutral towards the quick response to customer complaint. 24% & 22% respondents are neutral & agree with quickness of the webpage loading on bank portal whereas, 23.50% respondents are neutral with towards easy completion of steps of online transaction.
- It is observed that most of respondents feel that the banks provided full attention on security, services, time to time updates, and trust worthy towards internet banking.



7. Recommendations:

- The study finds out that most of respondents considering the security and assurance towards financial transaction. The banking organization much careful towards the safe and secure internet banking transaction. In the era of globalization, various updates come in technology day today which will hazards towards customers financial transactions. So there is need to update the technology regularly which will prevent the hazards. This provides the secure and safe transaction and buildup assurance in customer towards banks.
- The banks should clear the policy charges applying on the internet banking transaction and inform properly to customer. Due to this customer relies that there is no unwanted or hidden charges apply which will be fruitful to both and boost to develop the relation.
- Modern information technologies play an important role in performing various the tasks of organisations. Due to variety of technology and changing environment of organisation, the combo application of technologies should be updated regular basis to provided better services and improve the performance of organisation to effective satisfaction. Most of the respondents are influences by security, treatment, web design and transaction speed. The bank authorities should give more attention towards these factors according to requirement and give assurance to customer order to enhance their technical ability and reliability customer.
- Regular basis communication should be ensured by the banks in order to make the customer more active and participative. The banks should be considering the genuine problems of the customer and take care. Also the banks regularly communicate the updates to the customers which will facilitate to get proper knowledge to perform internet banking transaction.
- The most important physical evidence in internet banking is web. The proper & qualitative web design helps to customer to easy understanding and complete securely financial transactions. So the bank provides the attention towards contents of web and regular updates in web portal according to the need of time with future consideration. It ensures the trust and creates the better understanding which enhances the satisfaction level of customer.



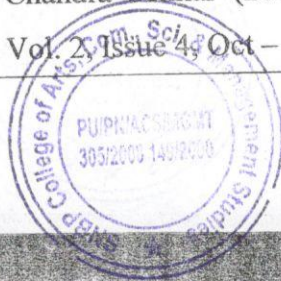
- The delivery and accuracy is important in internet banking transaction. The study shows that customer is feeling of relief of customer to transact on internet banking. But the changing banking environment needs to take care channel decision carefully, incorporating today's needs with tomorrow's likely selling environment. It is important to give the proper treatment and handle customer smoothly to enhance the relation and better performance. The bank authorities provides the attention towards the process like quick responses to customer complaint, quickness in loading webpage on bank portal and easy completion of online transaction. It helps to enhance customer's relation, satisfaction and loyalty.

8. Conclusion:

Banks play an important role in the growth and development of the rustic area. They are the main bone in social & economic development of country. In India, several banks have not professional approach as compared to foreign banks. Apart from this many organisations have excellent performance track records and have managed to achieve desired results. However, modern technologies are not neglected and its importance in global business environment to sustain and survive. Thus technologies needs a fresh restoring so that organisations inefficiencies and idleness can be removed and improve the performance of the organisations to the fullest extent to create the genuineness& buildup strong relationship with customer and stakeholder of banks. Without maintain the customer satisfaction and loyalty banks cannot survive in era of globalization. Day by day the technologies bring the changes in banking business. The present study is only focus on internet banking; still there is scope for further study in various areas like mobile banking, core banking products, etc.

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Employee Performance & Satisfaction through Employee Engagement

Dr. Sudhir A. Atwadkar

SNBP College of Arts Commerce Science
& Management Studies, Morwadi, Pune-18

8275001199/9860033688

sudhir.atwadkar@gmail.com

Miss Umeshwari P. Patil

SNBP College of Arts Commerce Science &
Management Studies, Morwadi, Pune-18

9604789565

umeshwari_patil@rediffmail.com

Abstract:

Employee engagement is integral to diving successful organization. Engaged employees are emotionally attached to their organization and highly involved in their job with great interest for the success of their organization. During last two decades, employee engagement becomes a very popular managerial issue. Employee engagement is the very vast concept that touches almost all parts of human resource management. Employee engagement is the strongest emotional commitment the employee has to the organization and its goals. Employee engagement is strongest predictor of positive organizational performance. This study is aims to identify the key divers of employee engagement within the Cooperative Milk Industry in Kolhapur. It also studies the impact of employee engagement on job satisfaction and job performance. A survey questionnaire was developed and validated. Regression analysis was used to predict and explain the proposed relationship from different Cooperative Milk industries in Kolhapur.

Keywords: Employee Engagement, Leadership, Organizational Justice, Job Satisfaction and Performance.

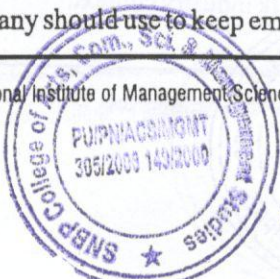
Introduction:

To help managers, different research, scholars, consultants have been contributing lot to get the best way to managers to improve performance. Today every organization requires more number of employees with increased technical as well as professional knowledge & skill. The skillful & knowledgeable employees cannot be managed in old philosophy. They expect autonomy, satisfaction and recognition. The knowledge workers can be managed as knowledge economy. The organizational performance is depends on the employees efficiency & productivity and efficiency & productivity is depends on ability & commitment of employees. Their ability & commitment depends on the satisfaction level. Management focus on how to keep employees engaged in their job. Every employer now realized that initiative of improvement which is taken by management cannot be fruitful without willful involvement and engagement of employee. By focusing on employee engagement organization can creates more efficient productive and effective workforce. The employee engagement is vast concept. Employee engagement is conceptualized as the individual's investment of his complete self into role. Engagement and involvement is positive attitude where an individual goes above and beyond the call of duty. As to heighten the level of ownership and to further the business interest of the organizational whole. Employee engagement is consider in term of satisfaction and performance. The present study is carried out in Cooperative Milk industry in Kolhapur.

The concept of engagement has naturally evolved from past research on high involvement, empowerment, job motivation organizational commitment and trust. All organization thinks that their employees to be engaged in their work. As the current job market gains momentum, especially for corporate companies, it may find that employee retention with performance has become increasingly difficult. Managers have been grappling with many challenges to succeed putting their company a head of competitors. Every manager unequivocally agree that this century demands more efficiency and productivity than any other time in history. Businesses are striving to increase their performance. TQM, BPR etc. techniques are suggested by many authors by focusing operations & process improvement and were found helpful in increase organizational performance.

This article sightsees the evolution of the concept. Secondly, confer the drivers (factors) leading to engagement. Thirdly, the impact of employee involvement and engagement on performance and job satisfaction which leads to business out comes like productivity, growth, customer satisfaction and profitability. Finally, focus on the strategies the company should use to keep employees engaged in their job.

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PRINCIPAL

SNBP College of Arts, Comm., Sci. & Management Studies
Sant Dnyaneshwar Nagar, Morwadi, Pimpri, Pune-18

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Review of Literature:

2.1) Definition & Review:

The word engage has many meaning and it varies according to situations. It denotes the emotional state of being involved or committed. There are differences among, behavior and outcomes in term of engagement. Some authors has defines employee engagement does not mean employee happiness or satisfaction. It means emotional commitment the employee has to the organization and its goals. The International Survey Research (ISR) defines "Employee Engagement is a process by which organizations increase commitment and continuation of its employees to the achievement of superior results". Kieron Shaw (2005) highlights translating employee potential into employee performance & business success.

Robinson (2004) defines employee engagement as "a positive attitude held by the employee towards the organization & its value." Employee willingness and ability to help their company succeed largely by providing discretionary effort on a sustainable basis (Perrin's Gobal Work Force Study 2003). This study focus that engagement is influences by many factors which involves both emotional & rational factors relating to work & work experience. Employee engagement to a positive employee's emotional attachment and commitment (Demovsek 2008). An engaged employee is aware of business context and work with colleagues to improve performance within the job for the benefits of the organization.

Engagement is about passion and commitment the willingness to invest oneself and expand one's discretionary effort to help the employer succeed, which is beyond simple satisfaction with the employment arrangement or basic loyalty to employer (Macey & Schinder, 2008). The full engagement equation is obtained by getting maximum job satisfaction and maximum contribution. Stephen Young distinguishes between job satisfaction & engagement contending that only engagement (not satisfaction) is the strongest predictor of organizational performance (Human Resource, 2017).

2.2) Importance of Engagement:

Any organization capacity to perform is closely related with the employee to perform is closely related with the employee ability to achieve high performance and better business outcomes. Employee engagement leads to various advantages to organization; it builds passion, commitment and discipline with organization strategies and goals. It helps to build up trust and long association with organization. It generates sense of devotion and makes effective brand ambassadors to employee, which helps business growth & performance in a competitive environment.

Engaged employees leads to higher service, quality and productivity, which leads to high customer satisfaction which leads to increase the sales, which leads to higher level of profit growth. Engagement is important for managers to cultivate give that disengagement is central to the problem of workers, lack of commitment and motivation. The research using different resources of engagement has linked it to such variables as employee turnover, customer satisfaction, loyalty, safety and to lesser degree productivity and growth of sales & profit.

2.3) Divers of Employee Engagement:

There are crucial drivers that lead to employee engagement which are common in most business organizations. However, the components and the relative strength of each driver are likely to be depending on the nature, type, sector of organization and demographic variations in the region. This study attempts to identify the main drivers of employee engagement within the Kolhapur in Cooperative Milk industry context.

i) Policies and Procedures: To create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employee. The hiring process involves dealing with employees starting from the selection process to the end of the contract, by maximizing the person-job fit which is important for further employee engagement. Work Life Balance in its broadest sense is defined as a satisfactory level of involvement or 'fit' between the multiple roles in a person's life. Performance management that sets meaningful goals and builds employer-employee trust acts as a holistic measure that enhances employee engagement. Also, encouraging employee health and safety programs can maximize employees' wellbeing physically and mentally, which accordingly reinforces employee engagement. Said programs include employee assistance programs for alcohol and drug addiction, wellness screenings, stress management training, counseling and safety training.

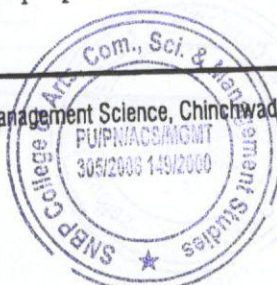
ii) Training and development: This variable is consistent with the scope of job resources as proposed in Job Demands - Resources. It bears dual importance to ambitious employees. Training, development and learning can be looked at as an intrinsic motivator that supports employees' growth and enhances individual development plans by fulfilling basic human needs such as needs for autonomy, relatedness, and competence. It can also be perceived as an extrinsic motivator, because it provides employees with tools and resources, as knowledge, skills and competencies that are applied on the job and are imperative for employees' goal achievement and career growth opportunities. Job resources motivate them to dedicate more energy and time in their work.

iii) Appraisal & Motivation: Appraisal is a formal structured system of meaning and evaluating an employee's job related behaviour and outcome to discover how and why the employee is present performing on the job and the employee can perform more effectively in the future so that employee organization and society and all benefit. Motivation is one of most frequently used words in psychology. It refers to the factor which move or activate the organism, it infer the presence of motivation when other people work towards certain goals. The person has motivated to achieve something.

iv) Leadership: Effective leadership behaviour that supports engagement reflected self-awareness, communication of information, transparency, and respectful treatment of employees and organization's standards of ethical behaviour. Leadership according to engagement literature embraces also inspirational motivation, by which leaders provide meaning and challenge to assigned employees' work; also, intellectual stimulation, whereby leaders support employees' adaptively and creativity in a blame free context. As a result, employees develop trust in their leaders and management, and accordingly reciprocate by attempting to fulfill their obligations to the organization by becoming more engaged. Trust in the leader, support and create psychological safety and free working environment.

v) Compensation and benefits: It involves both financial rewards, and non- financial benefits. The level of an employees' engagement depends on employee's attractiveness of received compensation and benefits. Employees after receipt of said rewards and recognition feel obliged to respond with higher levels of engagement. Top performing employees prefer to be distinctively rewarded and recognized for the outstanding work they do, especially when pay is related to performance. A study demonstrated that the level of rewards and recognition may be an important part of work experience and a strong predictor of engagement when performance related pay culture prevails at work. In support with the literature, the factor of rewards and recognition remains a significant predictor of engagement.

vi) Organizational justice: The term organizational justice is invented by Wendell French in 1964. It applied by organizational psychologists to refer to the just, fair and ethical manner in which organizations treat their employees. If employees perceive an organization is fair and just to them, they will reciprocate by putting more to work and by increasing their engagement, in accordance to the exchange ideology. The feeling of safety is influenced by the predictability and consistency of the fairness in assigning rewards, resources or even inflicting punishment at work. Organizational justice is concerned with the ways in which employees determine if they have been treated fairly in their jobs and the ways in which those determinations influence other work-related variables. It influences employees' attitude and behaviour and consequently their performance and the organization's success. Greenberg's four- factor model of justice proposed that interactional justice might actually be subdivided into two factors.



vii) **Career Opportunity:** Recent development in the literature on career has begun to reflect a greater global reach and acknowledgement of an international, global understanding of career. These developments have demanded a more inclusive understanding of career as it is experienced by individuals around the world. Related issues within the career literature include relationship within the career theory and convergence and practices.

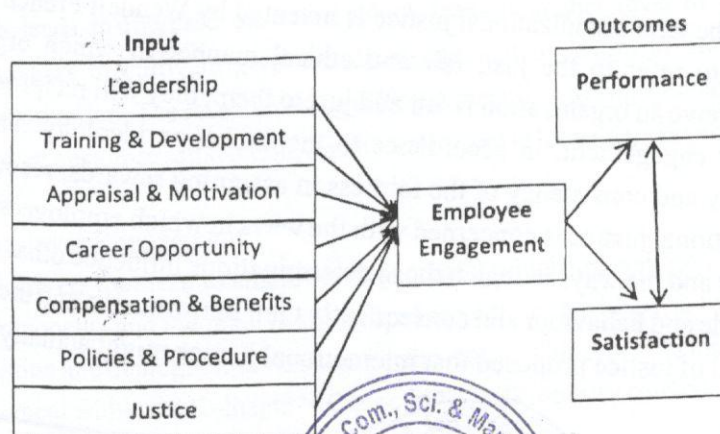
viii) **Performance:** The overarching purpose of this study is to provide insight into the role that engagement plays in relationships with both job performances. Here we define job performance as the aggregated financial or non-financial added value by the employees in contribution to the fulfillment both directly and indirectly to the targeted organizational goals. Studies have shown that employee engagement has a positive influence on organizational performance indicators such as: productivity, employee turnover, organizational commitment, and safety. However, not all researchers totally agreed with the idea that employee engagement motivates business success. Alternatively they supposed that there is a reverse connection between organizational performance and employees' attitudes; thus, when the organizational performance indexes are high it evokes positive attitudes among workers. Studies showed that engagement is an individual-level construct that needs to impact the employee at first, and then follows by affecting the organization at large.

ix) **Satisfaction:** The performance benefits accrued from increased employee satisfaction have been widely demonstrated in the academic literature. To list but a few, these include: increased commitment, performance; decreased employee turnover, decreased absenteeism. Satisfaction commits embraces a strong belief and acceptance of the goals and values of the organization; a willingness to exert considerable efforts on behalf of the organization; and a strong desire to continue working with the organization. Satisfaction construct that - employees' emotional attachment towards their organization; continuance commitment that is the recognition of costs associated with leaving the organization; and normative commitment which is the moral obligation to remain with the organization. Employee engagement has developed as a vital constructs in the organizational research on account of their positive relation with employees' behaviour, which promote organizational retention as well as performance. Nevertheless, satisfaction remains the most potential benefit for an organization, as it directly influences how employees perform their jobs and reciprocate with engagement in supportive working environment.

Therefore, the **hypotheses** was developed as follows -

- 1) There is association between leadership and employee engagement.
- 2) There is association between the training & development and employee engagement.
- 3) There is association between appraisal & motivation and employee engagement.
- 4) There is association between career opportunity & employee engagement.
- 5) There is association between compensation & Benefits and employee engagement.
- 6) There is association between policies & procedure and employee engagement.
- 7) There is association between justice & employee engagement.

2.4) Conceptual Model:



1) Methodology:

Developing and administrating a questionnaire to convenience sample of Cooperative Milk industry employees in Kolhapur to test the proposed hypotheses in model. The collected data was analyses thorough weightage method, correlation and regression analysis to assess the impact of variables on satisfaction and performance. The analysis was made by using SPSS version 17.

3.1) Sample:

Before distributing questionnaire, all participants were declared that their involvement was voluntary and secrecy was guaranteed. Total 200 respondents were included from 4 Cooperative Milk Industry working in Kolhapur district. However, incomplete responses and not answered questions etc. was eliminated and final size used for analysis is 95 percentage i.e. 190 samples. The questionnaire was included the demographic variables- Gender, Age, Education, Income, Designation and Experience. The study variables- Leadership, Training & Development, Compensation and Benefits, Organizational Justice, Employee Engagement and Performance were measured by using 5 items each whereas Policies & Producer, Career opportunity, Appraisal and motivation and Satisfaction were assessing by 6 items each. All items were assessed on a five point Likert Scale in answer ranged from 1 (Strong Disagree) to 5 (Strongly Agree).

2) Analysis & Result Discussion:

The demographic variables, the age of participants were in the range of 21 to 45 years with the mean 34 years. Compare with male & female employees, male employees were the majority in sample 74 percent. 52 percent of the sample has a bachelor degree whereas 35 percent of samples has post graduate. 36 percent employees worked in middle level management whereas 16 percent in senior level management. Most of the employees having experience in the range of 5 to 15 years and majority of the employee's income in the range of 15K to 25K.

To evaluate the prime variable which impacts the employee engagement the Weighted Average Method used and calculated which showed in Table No.1.

Table No.1: Variables Leads to Employee Engagement			
No.	Variables	Mean	Rank
1	Leadership	3.64	I
2	Training & Development	3.54	IV
3	Appraisal & Motivation	3.42	V
4	Career Opportunity	3.15	VII
5	Compensation & Benefits	3.55	III
6	Policies & Procedure	3.38	VI
7	Justice	3.57	II

The study shows that most important factor which leads the employee engagement is Leadership with 3.64 mean values. Justice is on Second rank with mean value 3.57 whereas with 3.55 mean values Compensation and Benefits is on Third position. On Fourth & Fifth rank Training and development and Appraisal and motivation with mean values 3.54 and 3.42 respectively. Policies and procedure and Career opportunity are on Sixth, Seventh rank with mean 3.38, 3.15 respectively.

5) Correlation & Regression Analysis:

Table No. 2: Reliability Statistics	
Cronbach's Alpha	N of Items
.89	54

Correlation and Regression analysis is carried out by using SPSS (17.0). Through this analysis, reliability of the data, development of relationship between independent and dependent variables, validity of the model and testing of hypotheses has been carried out. The reliability measures, in term of Cronbach's alpha, reached a recommended level of 0.89 as an indicator for adequate internal consistency.

The previous results that all different organizational variables are significantly correlated with employee's engagement, which significantly correlated with performance and satisfaction. In order to examine the probability of engagement using organizational variable and probability of outcomes (satisfaction and performance), a regression analysis was conducted which results shows in Table No.3.

Table No. 3: Correlations

		1	2	3	4	5	6	7	8	9	10
1. Leadership	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	190									
2. Training & Development	Pearson Correlation	.350	1								
	Sig. (2-tailed)	.086									
	N	190	190								
3. Appraisal & Motivation	Pearson Correlation	.739**	.636**	1							
	Sig. (2-tailed)	.004	.001								
	N	190	190	190							
4. Career Opportunity	Pearson Correlation	.641*	.523**	.574**	1						
	Sig. (2-tailed)	.000	.007	.001							
	N	190	190	190	190						
5. Compensation & Benefits	Pearson Correlation	.565**	.410**	.642**	.628**	1					
	Sig. (2-tailed)	.000	.042	.000	.000						
	N	190	190	190	190	190					
6. Policies & Procedure	Pearson Correlation	.692**	.631**	.349**	.788**	.514**	1				
	Sig. (2-tailed)	.000	.001	.059	.000	.000					
	N	190	190	190	190	190	190				
7. Justice	Pearson Correlation	.688*	.651**	.655**	.604**	.675*	.628**	1			
	Sig. (2-tailed)	.021	.001	.507	.004	.000	.001				
	N	190	190	190	190	190	190	190			
8. Employee Engagement	Pearson Correlation	.642**	.574	.367**	.349**	.562**	.511	.655	1		
	Sig. (2-tailed)	.004	.991	.001	.001	.000	.059	.507			
	N	190	190	190	190	190	190	190	190		
9. Satisfaction	Pearson Correlation	.701**	.812	.700**	.744**	.699**	.738**	.807**	.681**	1	
	Sig. (2-tailed)	.000	.001	.000	.000	.000	.000	.000	.000		
	N	190	190	190	190	190	190	190	190	190	
10. Performance	Pearson Correlation	.720**	.781**	.710**	.733**	.674**	.734*	.743**	.709**	.807**	1
	Sig. (2-tailed)	.000	.000	.001	.000	.000	.000	.000	.000	.000	
	N	190	190	190	190	190	190	190	190	190	190

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

It can be concluded that organizational justice has the strongest predictive power of employee engagement. It can prove 65.5% of the total variances which have proved to be significant at 1 percent level of significance. Leadership was the second important predictor of employee engagement. It can clarify 64.2% of its total variances. Third predictor was training and development explains with 57.4% of its total variances. Compensation and benefits appear on Fourth position with 56.2% whereas policies and procedure has on Fifth place with 51.1% of its total variances. Finally appraisal and motivation and career opportunity seems to have close predictive power of 36.7% and 34.9% of its total variances. In addition, employee engagement appears to be a strong predictor for satisfaction, where it can express 68.1% of its total variances whereas performance explains 70.9% of its total variances. It also indicates that there is strongest association between satisfaction and performance which have proved by 80.8% of its total variances.

Table No. 4 : Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.926 ^a	.877	.842	2.004	.032	6.293	1	12	.181	2.389
a. Predictors: (Constant): Leadership, Training & Development, Health & Safety, Appraisal & Motivation, Career Opportunity, Compensation & Benefit, Policies & Procedure, Justice.										
b. Dependent: Employee engagement										

Through the regression analysis total 84.2 percent employee engagement (outcomes) depends upon the independent variables i.e. justice, leadership, training and development, compensation, policies and procedure, appraisal and motivation and career opportunity which shows in Table No.4

Table No.5 : Coefficient^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Leadership	.030	.103	.570	.288	.777
	Training & Development	.323	.163	.498	1.984	.064
	Appraisal & Motivation	.336	.190	.384	1.773	.094
	Career Opportunity	.270	.114	.378	2.377	.030
	Compensation & Benefits	.420	.172	.606	1.279	.218
	Policies & Procedure	.992	.151	.421	6.551	.000
	Justice	.421	.138	.689	2.112	.042
a. Dependent Variable: Employee engagement						

Leadership has strong association with employee engagement which indicates by 57% if effective leadership behaviour that supports engagement reflected self-awareness, transparency, and organization's standards of ethical behaviour. The analysis shows that hypothesis-1 stands true. Training and development associate with employee engagement by 49.8% if consistent with the scope of job resources as proposed in Job Demands-Resources. It provides employees with tools and resources, as knowledge, skills and competencies. This result shows Hypothesis 2 stands true. Appraisal and motivation have relation with employee engagement by 38.4%. This result shows that Hypothesis 3 holds true. Employee engagement and Career opportunity have association by 37.8%. This study indicates that Hypothesis 4 stands true. Compensation and benefits have strong relation with employee engagement which indicates by 60.6% if it involves both financial rewards, and non-financial benefits. It indicates that Hypothesis 5 stands true. Policies and procedure have association with employee engagement which shown by 42.1% if it create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employee. It indicates that Hypothesis 6 stands true. Justice has strong association with employee engagement by 68.9% if they have been treated fairly in their jobs and the ways in which those determinations influence other work-related variables. The analysis shows that Hypothesis 7 stands true.

6) Result Discussion:

This study focuses the significance of employee engagement and classifies the key drivers that have significant impact on it. It also shows that employee engagement arbitrates the relationship between independent variables and dependent outcomes within the Cooperative Milk industry in Kolhapur district. Therefore the association between engagement, satisfaction and performance is reliable with engagement variables and concern models.

Regression analysis indicates that justice has the highest predictive power (65.5%) and leadership (64.2%) is second highest predictor of employee engagement amongst the researched sample of Cooperative Milk industry in Kolhapur district. The culture of Kolhapur district is different than the other district of Maharashtra, has been characterized by social democracy. Peoples are having dual income mainly on agriculture and service. Employee perceive that life is built around a group, and way in which the justice and leader relates to the group is important. The social exchange theory argues that relationship at work evolve over time into trusting, loyal and commitment as long as all parties involved take by mutuality rules. Empirical leadership research has provided evidence that a positive relation exists between effective leader behaviour and followers' attitude and behaviour related with engagement. It supported the existence of a positive relationship between effective leadership vision and employees in performing their jobs. Training and development (57.4%) and compensation and benefits (56.2%) ranked the third and four predictor of employee engagement. Followed by on fifth and sixth rank were policies and procedure and appraisal and motivation with 51.1% and 36.7% respectively. Career opportunities scored the least predicative factor influences employee engagement (34.9%). In addition employee engagement has a strong impact on satisfaction (68.1%) and performance (70.9%). Also it proves that a satisfied employees are more productive with score 80.7%.

These results are in mark with some issues of work policies and procedure and lack of practices and the working environment in Cooperative Milk industry in Kolhapur. Some of issues are – selection and recruitment of employees, low level of pay scale, performance values, proper training and development programs as well as facilities.

Conclusion:

The literatures indicate that employee engagement is closely related linked with organizational performance. There is a need for academia to investigate the new philosophy and come up with clear concept and dimensions that well be used for measuring employee engagement justifying the importance of engagement. There is no generally accepted definition for employee engagement. However, there is growing consent among the authors that the construct is distinguishable form related concepts in management – employee commitment, job satisfaction and organizational behaviour. Employee engagement is a positive attitude held by employees towards the organization and its working environment. Results of various researches suggest their own strategies in order to keep employees engaged. Employee engagement is divers' performance by retention, loyalty, safety and ultimate profitability. Therefore, today organizations should actively look forward to satisfy the expectations of employees and create an impact on the performance of employees, which helps to improve the organizational performance in competitive business environment. In this article some of strategies were suggested – two way communication, appropriate training program, opportunities for development to keep employees, feedback system, incentive programs and socio-corporate culture. Engaged employees care about their organization and work to contribute towards its success.



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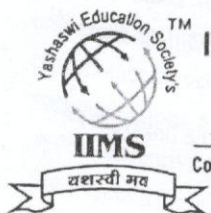
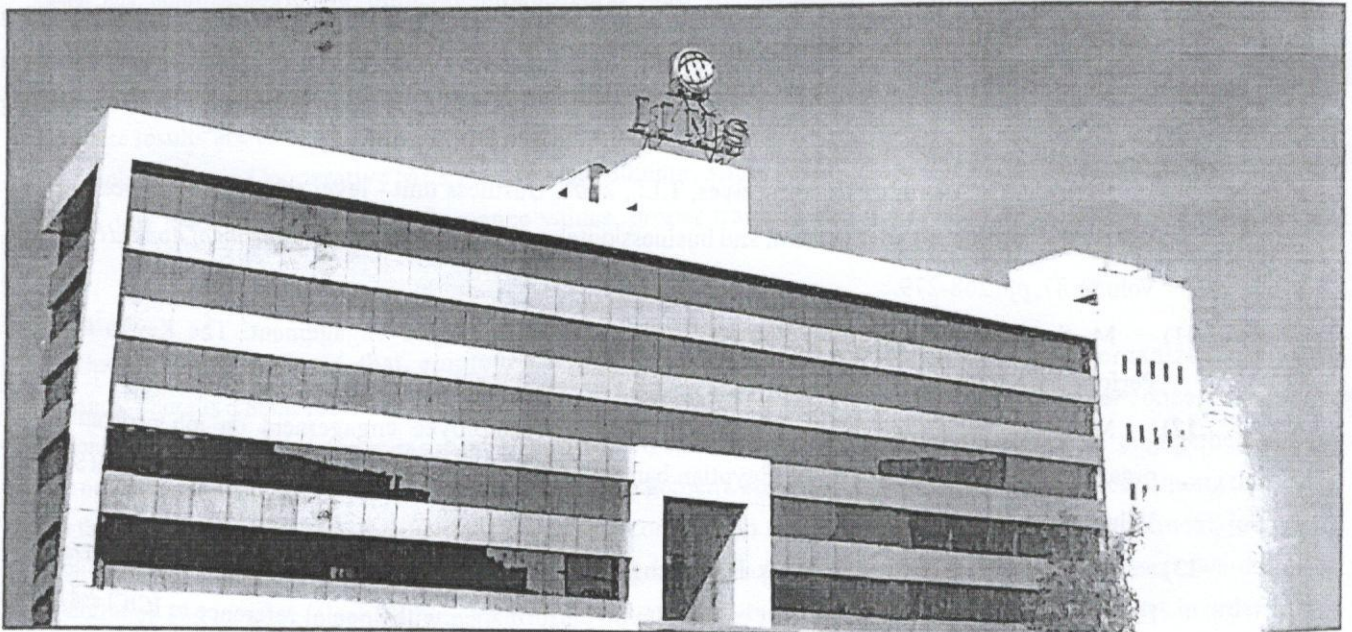
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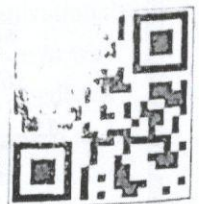
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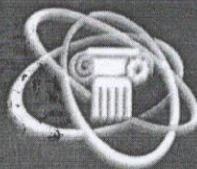
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8th International Conference 2018
on

INNOVATIVE BUSINESS PRACTICES FOR CREATING VALUE IN GLOBAL ERA



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8th International Conference

**Innovative Business Practices for
Creating Value in Global Era 2018**

Editors

Manish Mittal

Pragya Jaroliya

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CUSTOMER SATISFACTION AND RURAL CONSUMER: A STUDY ON E-COMMERCE (ONLINE SHOPPING)

* Dr. Sudhir Atwadkar

** Umeshwari P. Patil

Abstract

Since 2014, the Government of India has taken major initiatives namely, Digital India, Make in India, Skill India. The top 20 countries in the internet by number of users, India is on ranks 3rd. The Indian e-commerce market is set to overtake the US and become the second largest in the world in less than two decades, going head-to-head with China for the number one position. The e-commerce has directly impacting the MSME India by providing means of financing, technology etc. and has a favorable cascading effect on other industries as well. The report said the e-commerce market is expected to grow exponentially with emerging markets leading the charge—particularly India. Indian E-commerce is at an all-time boom and is growing exponentially each year. Marketers monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival.

Key Words: E-Commerce, Technology, Customer, Satisfaction, Perception, Marketing Mix

INTRODUCTION

E-Commerce is gaining momentum globally with Asian economies. E-commerce in India is growing at a fast pace with an estimated size of 43.8%. As per the internetworldstats.com the top 20 countries in the internet by number of users, India ranks 3rd after China and US. Major forces in Indian e-commerce that rotate the Indian economy are: Increasing broadband Internet and 3G & 4G penetration, Rising living standards and a growing, upwardly mobile middle class with high disposable incomes. Much growth of the industry has been triggered by increasing internet and smartphone penetration. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 (59 per cent of total population), from 373 million (28 per cent of population) in 2016, while total number of networked devices in the country are expected to grow to two billion by 2021, from 1.4 billion in 2016. The e-commerce has transformed the way business is done in India. The Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. The value of e-commerce market is expected to cross US\$ 50 billion by 2018.

Since 2014, the Government of India has taken major initiatives namely, Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support the e-commerce growth in the country. RBI has decided to allow Prepaid Payment Instruments (PPIs) digital wallets, prepaid cash coupons and phone top-up cards also Aadhar based payments and non-cash modes. Technology enabled

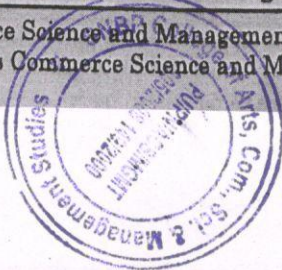
innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The e-commerce industry been directly impacting the micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favorable cascading effect on other industries as well.

In spite of the robust growth, the ecommerce industry is still in a nascent stage with significant e-commerce ventures being started by young first-time entrepreneurs. The e-commerce industry in India lags various developed and developing parts. From the beginning of the "customer service revolution" almost 30 years ago, a body of business research has focused on post purchase behaviour of consumer. Many marketers, business consultants and others have worked to identify the characteristics of organizations that consistently give pleasure to their customers and to build up apparatus for monitoring customer satisfaction. Although greater profit is the primary motive, exemplary businesses focus on the customer and his/her experience with the organization. Marketer takes the efforts to make their customers delight and see satisfaction as the key to survival and profit. By providing superior value require the organisation to do a better job of anticipating and reaching to the customer needs than the competitor. Therefore, understanding what makes customer in general buy and what makes your customer in particular buy is a vital part of business success. Consumer's reactions to the marketing strategy determine the organization success or failure. In the competitive environment organization can survive only by offering more customer value. Marketers monitor customer

* Principal, SNBP College of Arts Commerce Science and Management Studies, Pune

** Assistant Professor, SNBP College of Arts Commerce Science and Management Studies, Pune

Dr. Sudhir Atwadkar



PRINCIPAL

SNBP College of Arts, Comm., Sci. & Management Studies
Sant Dnyaneshwar Nagar, Morwad, Pimpri, Pune-18

satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival.

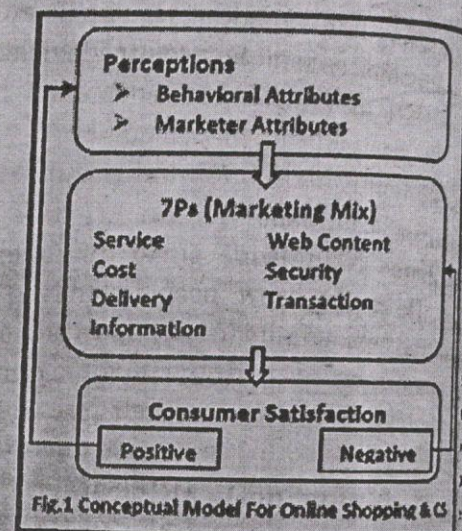
REVIEW OF LITERATURE

In today's world business use online trading as one of the major marketing tools to increase their revenues and capture maximum share of the market in a quick and effective way. Indian ecommerce market is growing with a speed pace as compared to other developed global online markets. It is important to know the positive and negative influencing factors behind Indian online actual behaviors. Chanana and Goele (2012) define that "E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals." Gupta (2014) clarify a comprehensive definition of ecommerce and isolated it from e-business also studied the various models of e-commerce. Das & Ara (2015) observe that there has been a tremendous surge in the volume of investment in this sector. Anderson (2011) found how Indian E-Commerce market is growing overcoming the payment challenges.

Amar (2011) discussed about different challenges for Indian E-Commerce market. A blog was written in 2011 on the challenges for Indian E-commerce market. Detailed study was being carried on buying behaviors of Indian online shoppers. Gupta (2012) analyzes different new marketing approaches to influence customer behavior. Dholakia (2010) analyzed the growth rate of online shopping in India. Kumar (2012) threw light on buying behavior of Indian online consumers. Different current statistics regarding online shopping, ecommerce market was found from slideshare.com. Singh (2002) underlined the importance of e-services to the B2C e-commerce business. According to the author this relationship has a positive impact on sales and customer relationship management. Chen and Dubinsky (2003) analyzed that one of the key factors that affects B2C ecommerce is the information quality on the website. Gefen and Straub (2003) explained that customer trust is one of the critical factors that affect customer satisfaction. Shankar et al. (2003), found out that the relationship between customer loyalty and satisfaction is that of a reciprocal and that each concept positively reinforces the other. The level of loyalty shown by customers from online buying is greater than the offline buying customers. Zhang et al. (2006), found that affect e-commerce satisfaction include perceived convenience and security that the website offers and the customer's own skills and experiences. Lin (2007) highlighted the interactivity of the website plays an important role in satisfying customers. Jianchi and Xiaohong (2009) stated that there are five variables -design of website, the service provides the

information quality, website intelligence and that positively affect customer satisfaction. Research suggest that consumer loyalty in B2C e-commerce is strongly and positively influenced by customer satisfaction. Brilliant and According to Subramaniam et al. (2014), higher customer satisfaction in ecommerce can bring substantial benefits, such as repeat purchase, good word of mouth, and sales increase. Jie et al. (2015) emphasize that flexibility is a main criteria for strengthen the relationship between e-retailers and delivery service providers to the e-customers.

Figure 1 showing Conceptual Framework (Model) of the Study



In the present scenario of the marketing practice study of consumer satisfaction is an essential instrument to improve the success and performance of any organization. To improve the level of satisfaction of consumer and develop the various strategies a theoretical framework (Model) has been designed based on the following independent variables: Product (Service), Price (Cost), Place (Distribution), Promotion (Information), Physical Evidence (Content), People (Security), Process (Transaction). Consumer behavior is the study to processes involved when an individual select, buy, dispose of a product or service, idea or experience (marketing mix) to satisfy or fulfill needs and desire. CS is the post purchase behavior of the consumer. As internet become a channel of delivery and expands, it is important to know the customers attitude, intent and post behavior.



in the light of online shopping. Means why they like or dislike using it? Consumers feelings seems have a major pressure on decisions yet individual feelings do not, by themselves influences one's intention or behavior. Instead that intention or behavior is a result of a variety of issues relevant to the situation at hand, in study online shopping.

The emerged issues for the online shopping are: web design, customer service, assurance, preferential treatment and information provision. Web design covers the design of the web site and includes items like web content layout, content updating, navigability, and user-friendliness. Customer service has been recognized as an important element for enhancing service quality in online shopping. This dimension has to do with service reliability, customer sensitivity, personalized service, and fast response to complaints that have been described as responsiveness to customer needs and complaints. Assurance is one of the critical elements of online shopping service quality. The assurance dimension describes impressions by the service providers that convey a sense of security and credibility. Security and privacy are related items that affect the confidence to adopt online shopping services.

Preferential treatment is related to the added value where customers perceive that the incentive of online shopping is attractive then they would be more willing to purchase online. Information provision has become one of the key elements of online service as customer would need the right information that enables them complete online shopping successfully. Utilization of 7Ps and satisfaction affected on online shopping behavior of customer has been a crucial area of past researches. The present study is based on review of literature and conceptual model presented in Fig.1. A systematic presentation of 7Ps under investigation in present study is provided in Fig.1. It depicts the elements of online shopping for which customer satisfaction was measured. This model was adopted for two reasons - first, the model was based on extensive literature review. Secondly, the elements in this model are validated and applicable to online shopping context.

RESEARCH OBJECTIVES

The present study is carried out in Sangli district to study the problem occurring in Consumer Satisfaction

and Online Shopping in relation to marketing mix, on the basis of following objectives:

- To study the current scenario & future of e-commerce in Sangli.
- To study the impact of marketing mix in relation to consumer satisfaction.
- To study e-commerce and its socio economic impact.
- To study the impact of e-commerce on local market and business.

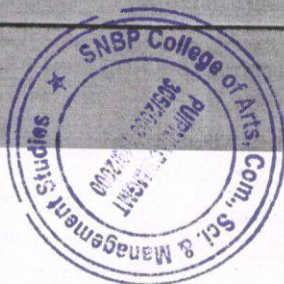
RESEARCH METHODOLOGY

The objective of this is to explain various methods applied for the collection of data, analysis and interpretation of the data relating to the present study. In this study, the Exploratory Research Method was adopted to ascertain the impact of independent variables i.e. 7Ps on satisfaction in order to achieve required level of satisfaction in online shopping. In this study, the population consists of all the customers & consumers who is purchasing through internet in Sangli district. By using simple random sampling, 120 respondents were selected as sample from each taluka place, and fill-up the questionnaire. 3 talukas select and 120 respondents from each were considered as sample. 120 respondents were selected who buy a product through mobile or web.

So the sample size of the study was consisting of 360 respondents from Sangli district. And at the end 352 samples are finalize for the study. The research instrument for the present study was questionnaire and through the data was collected. Efforts were made to construct structural questions as far as possible. Questionnaire of this research was constructed in the light of 5 point LIKERT Scale strongly agree to strongly disagree with 1 interval. The LIKERT scale shows the intensity of feelings of individuals towards objects.

HYPOTHESIS

- H01: There is significant relation between product (Service) and consumer satisfaction.
- H02: There is significant relation between price (Cost) and consumer satisfaction.
- H03: There is significant relation between promotion (Information) and consumer satisfaction.
- H04: There is significant relation between place (Delivery) and consumer satisfaction.



H05: There is significant relation between physical evidence (Web Content) and consumer satisfaction.

H06: There is significant relation between people (Security & Assurance) and consumer satisfaction.

H07: There is significant relation between process (Transaction) and consumer satisfaction.

RESULT AND DATA ANALYSIS

The collected primary data has been analyzed detailed in term of presentation of results, tabulation and analysis of descriptive statistics, weightage average, and correlation analysis and testing of hypothesis.

Table 1 Showing Factors Influencing to Customer Satisfaction:

No	Factor	SA	A	N	DA	SDA	Average	Rank
1	Services	72	93	76	63	48	2.81	V
2	Cost	65	82	81	87	37	2.78	VII
3	Information	78	91	67	69	47	2.80	VI
4	Assurance	67	101	76	52	56	2.82	IV
5	Security	45	56	117	67	67	2.59	X
6	Treatment	59	69	108	64	52	2.72	IX
7	Accuracy	89	97	78	45	43	2.90	II
8	Transaction Speed	83	93	65	48	63	2.77	VIII
9	Web Contents	97	79	84	50	42	2.84	III
10	Ability to Use Internet	93	103	73	44	39	2.95	I

The study shows that the most important factor which influences the customer while online shopping is ability to use Internet. Secondly, most of the respondents are influences by accuracy getting by service provider. Followed by Web contents is the third and Assurance the forth influencer. At the same time Service and Information is on fifth and sixth rank. Cost and Transaction of speed is on seventh and eighth rank whereas with low score, Treatment and Security are on ninth and tenth influencer to the use of online shopping.

Correlation and Regression Analysis

Correlation and Regression analysis is carried out by the use of Microsoft Excel and SPSS (17.0). Through this analysis, Reliability of the data, development of relationship between independent and dependent variables (correlations), and validity of the model and testing of Hypothesis has been found out. Reliability of data was found by 69.4 percent which was collected through independent and dependent variables. Correlation analysis dictates following;

Table No. 2: Reliability Statistics

Cronbach's Alpha	N of Items
.694	35

Table No.3: Correlations

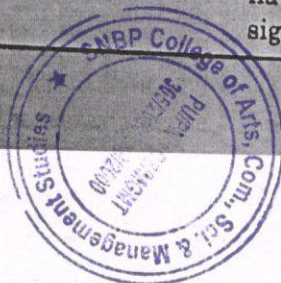
	Product	Price	Place	Promotion	Physical Evidence	People
Product (Service)	1					
	Pearson Correlation	.450	.374**	.667**	.693**	.595**
	Sig. (2-tailed)	.074	.009	.000	.000	.000
	N	352	352	352	352	352
Price (Cost)		1				
	Pearson Correlation		.020	.636**	.581**	.442*
	Sig. (2-tailed)		.791	.001	.001	.016
	N		352	352	352	352
Place (Delivery)			1			
	Pearson Correlation			.579**	.599**	.648**
	Sig. (2-tailed)			.000	.000	.000
	N			352	352	352
Promotion (Information)				1		
	Pearson Correlation				.872**	.678**
	Sig. (2-tailed)				.000	.000
	N				352	352
Physical Evidence (Web)					1	
	Pearson Correlation					.595**
	Sig. (2-tailed)					.000
	N					352
People (Security)						1
	Pearson Correlation					
	Sig. (2-tailed)					
	N					
Process (Transaction)						
	Pearson Correlation					
	Sig. (2-tailed)					
	N					
Satisfaction						
	Pearson Correlation					
	Sig. (2-tailed)					
	N					

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Strong association has been found between satisfaction and information by 73.2 % which confirmed to be significant at 1 percent level of significance based on 2 tailed tests. Satisfaction service has strong relationship as indicated by which have proved to be significant at 1 percent of significance based on 2 tailed tests. Satisfaction cost have relationship by 70 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests. There is strong association between satisfaction and security & assurance by 64.4 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests. Satisfaction Web Contents have relationship by 62.9 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

There is relationship between satisfaction treatment & transaction indicated by 62.2 % which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests. Satisfaction accuracy & delivery have relationship by 52.3 % which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.



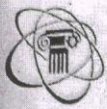


Table No.4: Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.827	.769	.742	16.522	.038	5.298	1	21	.022	2.493

a. Predictors: (Constant), Product (Service), Price (Cost), Promotion (Information), Place (Delivery), People (Security), Physical Evidence (Web content), Process (Transaction).
b. Dependent Variable: Satisfaction

Through Regression analysis total 74.2 percent satisfaction of customers depends upon the independent variables i.e. service, cost, information, accuracy & delivery, security & assurance, treatment & transaction, web contents.

Testing of Hypotheses

Table No.5: Coefficients^a

Model	Unstandardized Coefficients					t	Sig.
	B	Std. Error	Standardized Coefficients				
Product (Service)	.035	.107	.594	.288	.762		
Price (Cost)	.342	.160	.439	1.974	.070		
Promotion (Information)	.360	.180	.627	1.762	.097		
Place (Delivery)	.440	.129	.192	3.210	.005		
People (Security)	.210	.170	.562	1.378	.208		
Process (Transaction)	.989	.157	.441	3.551	.000		
Physical Evidence (Web)	.290	.119	.667	2.335	.040		

a. Dependent Variable: Satisfaction

Hypothesis 1 - There is significant relation between product (service) and consumer satisfaction and it prove by 59.4% if provides personalize services, Validity of hyperlinks, attention on quality and perform services correctly are to be monitored by the hierarchy of the organisation. The analysis shows that Hypothesis #1 stands true.

Hypothesis 2 -Cost influences overall satisfaction of customer by 43.9% if Reasonable charges for online transaction is to be facilitated by the service providers. The result shows that Hypothesis #2 holds true.

Hypothesis 3 - Informational activity influences the satisfaction by 62.7% in complete and sufficiency of information and updates are informed time to time are to be given by the organisation. The result shows that Hypothesis #3 holds true.

Hypothesis 4 - Accuracy & delivery has strong impact on satisfaction of the customer by 19.2% if reliability & credibility of customer transaction is to be ensured by the organisation. This result shows that Hypothesis #4 stands true.

Hypothesis 5 -Security & assurance have strong impact on satisfaction 56.2% if prompt reception of responses, ability to guide customer to resolve problems and protection & security of customer transaction data are to be ensured by the organisation. The result shows that Hypothesis #5 holds true.

Hypothesis 6 -Treatment & transactions influences the satisfaction by 44.1% in Quick response, accuracy in process and quickness of the webpage loading on bank portal are provided by the banking organisation. The result shows that Hypothesis #6 holds true.

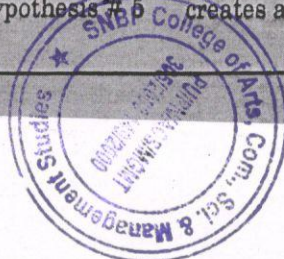
Hypothesis 7 -Web design has strong impact on CS of customer of online shopping by 66.7% if provides easy understanding & qualitative design of web page portal of service provider, helping & securely complete a transaction are to be ensure monitored by the hierarchy of the organisation. The analysis shows that Hypothesis #7 stands true.

DISCUSSION AND FINDINGS

After collecting the data, getting interviews from respondents and analysis of data, the following observations have been found: It has been generally found if the level of fulfillment is up to expectations customer are satisfy and it exceed the customers are delight. 62% of the respondents satisfied with the comprehensive range of products while online shopping. 30% of the respondents feel that there is consistency in quality whereas 39% respondents think there is no variation in quantity. 43% respondent has agreed that there is convenient packaging for handling.75% of respondents are strongly agreed and agree with the replacement facility in online shopping. It is found that two different communication approaches required. One who is stays in cities or touches with cities, and use modern technology. Another who are stays in small villages, uneducated, act as farmer or labor, less use of technology and with traditional conceptual knowledge

Pricing decisions can make or break the organization. Only 24% respondents feel that supplier offers cheapest price whereas 25% respondents says that there is no variation in price. 35% of respondents were agree with the price is reasonable in relation with benefits.

It is found that 68% respondents were agreeing with the displays are convenient on web portal. 47% respondents have good experience with the attractive and fair product display. The study shows there is regularity in the availability of the products. 35% respondents think that the order processing and order cycle time is fair. Promotion is an important tool to the organization which provides offers, information and creates awareness. It is found that 43% respondents





were agreeing that an ad provides the satisfactory information whereas 38% respondents feel that ad campaigns are excellent. It also reveals that social media having more impact. More than half of respondents think the sales promotion schemes are reliable while 47% respondents were agreeing with availability of discounts, free goods, gifts etc.

The study reveals that executives treat the respondents with respects (53%). 42% respondents were get wide and qualitative information by customer support with reliable response. The interaction (38%) and prompt service (49%) of customer support inspired to repurchase. 32 % respondents get the fair outcome of the complaints. There is positive response of respondents (45%) towards standard and qualitative distribution system. More than half of respondents were feels that people provided excellent services. It is found that marketing mix and customer satisfaction having direct relation. It indicates that most of Ecommerce companies focus on various attributes of consumer and they develop the strategies with the view of consumer satisfaction.

CONCLUSION

There is common perception that India is established in village. Most of area is Garmin part, which is still untapped. Still consumers are unaware with the ecommerce concept. The changing life style, high literacy etc. shapes and molds the desire and wants of these consumers. These markets are now changes in preferences, taste, habits, spending and consumption patterns. Now a day the consumer involvement is increase in purchasing. The technologies promote and develop these areas. Though the present study has focused on the customer satisfaction with context online shopping in rural area, still there is exists and remains some of the issues which are untouched which leads the scope for further research which may come-up in any forms like consumption patterns, spending and buying pattern, tuning relationship strategy.

IMPLICATIONS

The present study, customer satisfaction with regard to online shopping is carried out in Sangli district only. While collecting data major limitations faced by the researcher are lack of positive response, inferiority complex of respondents and time limit. In view of the

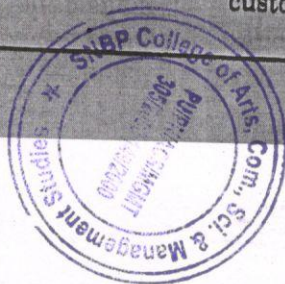
afforested scenario of region and the presented, an attempt is made to put constructive suggestions with a view to providers should keep constant focus on markets due to slowly changes in term of taste, habits and uncouneted potential of market.

Service provider should adopt the communication approaches and choice of media areas where consumers who have less capabilities.

They can process linear, logical, simple communication language with beginning, end, a sequence of events. The customers of these are price conscious therefore the marketer should affordable and competitive price. Mostly low products will be more successful in these areas the mindset of the consumer. The service provider take consumer research with some time which helps to them develop region wise consumer profiles, understand the change consumer and their characteristics to identify target market.

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