SPECIAL ISSUE ON
INNOVATIVE STRATEGIES, ADVANCES AND CHALLENGES IN COMMERCE AND MANAGEMEN

Executive Editor
Prof. Tanaji Jadhav

IRJMS

Chief Editor
Dr. Mahendra Avaghade

INDEX

FUTURE OF E-COMMERCE IN INDIA

[1]Dr. Sudhir A. Atwadkar, [2]Miss Umeshwari P. Patil
[1]Principal, [2]Assistant 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 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 o 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 i believed that low cost of personal computers, a growing installed base for Internet use, and a increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth i Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one c 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 Indi

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 gettinggreat deals and services online. A recent pan-India report released by Corn 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 rep 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 became 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.

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

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 ining 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 categories revealed that coupons category was the largest with 7.6 million visitors as consumers 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/Distributer:** In the world ofEcommerce 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 bylinking 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.

> **OpportunityFor 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 tal 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 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 firstbabies.com.Internet on mobile phones and e-commerce are set to lead the trend in the IT sector, GoogleIndia MD RajanAnandansaidon 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-
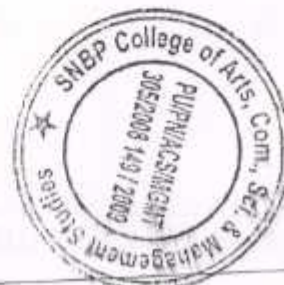
month over the last three quarters. We have been gradually increasing the pace of hiring and over the next six months, we will add about 500 people," Snapdeal Chief Executive Director Kunal Behl said.

"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 the 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 a 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 wishto take advantage of it can establish cyber and have then 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.

References:

1) Bansal, Rashmi, Growth of the Electronic Commerce in China and India: A Comparative Study
2) Dubey Rahul, E-Commerce poised for a leap in 2012
3) Emmanuel Lallana, Rudy Quimbo, Zorayda Ruth Andam, ePrimer: An Introduction to eCommerce, 2000), 2
4) Ernest A. Capozzoli, Thomas K. Pritchett, E Commerce: A Conceptual framework, Journal of Asia-Pacific Business
5) Kaur Pradeep, Dr. Joshi Mukesh, E-Commerce in India: A Review, IJCST Vo 1. 3, issue 1, 2012
6) Kaur, Ramneet, E-Commerce in India, Asian journal of research in business economics and management, vol. 2, issue 6, 2012
7) MK, Euro Info Correspondence Centre (Belgrade, Serbia), "E-commerce-Factor of EconomicGrowth."
8) Rosen, Anita, The E-commerce Question and Answer Book (USA: American Management Associ... 2000), 5.
9) Sharma Shweta, Mittal, Sugandha, "Prospects of E-Commerce in India".

Websites
- www.ecommerce Guide.Com
- www.ecommerce Times
- www.business.com
- www.forrester.com
- www.iamai.in

SPECIAL ISSUE ON
INNOVATIVE STRATEGIES, ADVANCES AND CHALLENGES IN COMMERCE AND MANAGEMENT

IRJMS

Executive Editor
Prof. Tanaji Jadhav

Chief Editor
Dr. Mahendra Avaghade

INDEX

Information Technology Led to Global Transformation

[1]Dr. Sudhir A. Atwadkar, [2]Miss Umeshwari P. Patil
[1]Principal, [2]Assistant 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 (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 principlesof a polity guarantee responsible exercise of power (Bruyn, 2005). Thus 'polity' does not necessarily mean 'state', rather itrefers 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 o

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).
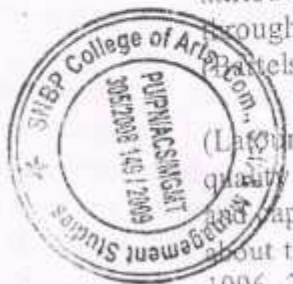
The state has remained the most powerful component of polity at both domestic and international levels for almost two centuries (Waltz, 1979). This typical Western polity model was superimposed in other civilizations over other kinds of polities, identities, as well as loyalties (Ferguson, 2006). However, 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; Denemark, 2000; Fernandez-Armesto, 2002). International exchanges in scier. technology and culture have generally furthered the cause of civilization and globalization for 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 (Tehranian, 2004).An information-based civilization has emerged from the traditional industrial societies (Tehranian, 1990). Different labels have been used to identify it like 'Post-Industrial', 'Information', 'Knowledge', 'Postmodern' and 'Network' society. Modern ICTsoffer 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 (Mittelson, 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 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 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 governmentsand 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 (Tehranian, 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), andorganizational capacity (Castells, 2008).

Eroding State Sovereignty:

Apparently, the decline of state-power has driven the'diffusion of authority away from national governmentsand created the problems of non-authority and un- governance (Strange, 1996:4). Erosion of state sovereignty is propelled by internal social developments, mushrooming of new ideologies and the rise of non-state actors atthe national and transnationallevel (Kreijen,2002).

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 has 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 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 hardnosed exploiters, but others view them as torchbearers of prosperity (Mazlish, 2012).TNCs have developed global networks of productionand marketing that have transformed economicgeography (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 theconventional 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 majorstimulant 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 rationalefor 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 o the norms, values and interests of global society (Keane, 2003). A network state is the third componen 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 th grasp of the state-authority and selfishness of the marke (Lipschutz, 2007). Voluntary realm and the publi sphere ofdiscourse are shifting from the mass-media t interactive web-sites (Castells). Most appropriate t

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 religious militants, corporate lobby groups and a multiplicity of opinions (Keane, 2003). Many 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 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 andcontexts 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 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' 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 '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 (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 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 theimmaturity 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-globallevels: the   concept   o 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 internationa actors, and globalization reinforces this interdependence (Kapitonenko, 2009).Global economic and cultural forces are increasingly becoming successful. Furthermore, the communication technologie such as the World Wide Web have contracted the world so closely that more than half of the to hundred economic entities have become more homogenous and more connected to than ever befor (Camilleri and Falk, 1992). Thus, the rise of transnational actors and a global civil society hav 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 ide of states as the ultimate authority, limited the significance of access to territory, and raised question 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 the global equivalents rather the 'globality' itself is a new social whole on planetary scale. ICT globalizationis 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 effectiveglobal governance has emerged from the mundane issues like global environmental, financial and security crises. The globalized world is in need of sophisticated and inclusive mechanis 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.

References:

1. Acosta, Orlando, Gonzalez, Jorge I (2010). A thermodynamic approach for emergenceof globalization, In Deng, Kent G. Globalization - today, tomorrow, Sciyo, Croatia.

2. The Westphalia model in defining international law: challenging the myth. Australian Journal of Legal History, Volume 9

3. Camille, Joseph, Falk, Jim (1992). The end of Sovereignty: the politics of a fragmenting and shrinking world, Edward Elgar Pub.

4. Mustafa, M. &Gashi, P. (2006): Biznesi i vogëldhe i mesëm, Prishtinë, Kosovë

5. Nash, J.F (1988): Accounting information systems, 2nd Edition, PWS, Kent Publishing

6. Pollard, D. (2006): Promoting Learning Transfer. Developing SME MarketingKnowledge in the Dnipropetrovsk Oblast, Ukraine. http://www.kosovo.undp.org

AN INTERNATIONAL MULTIDISCIPLINARY
HALF YEARLY RESEARCH JOURNAL

GENIUS

PART - I

CONTENTS OF PART - I

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,
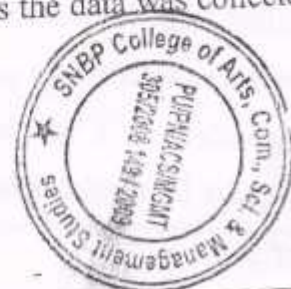
1. Introduction

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 f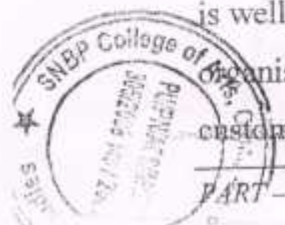unctioning of banks. IT helps to banks introduce the various products like ATM, Debit/Credit Cards, mobile & internet banking etc. The introduction of various technological products has added a beneficial impact on both banks and customers. Choosing the right path of technology adoption will be an instrument 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 studied internet banking service quality is, thus, conceptualized as a construct with five dimensions that were identified in the empirical work of.The satisfaction istypically

measured as an overall feeling or as satisfaction with elements of thetransaction 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 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

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

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 majorpressure on decisions yet individual feelings do not, by themselves
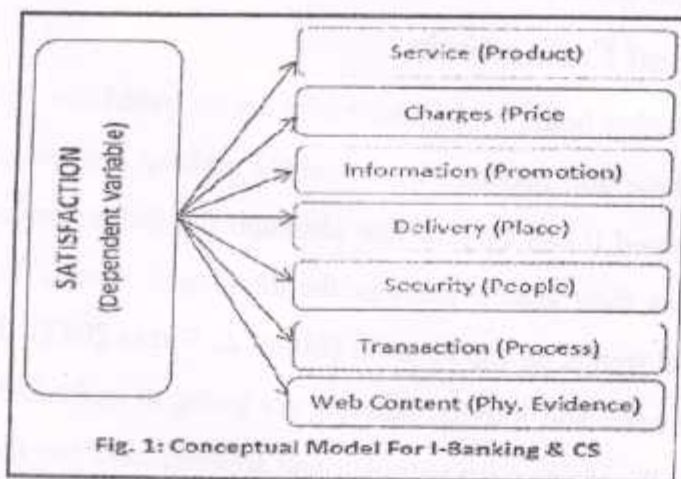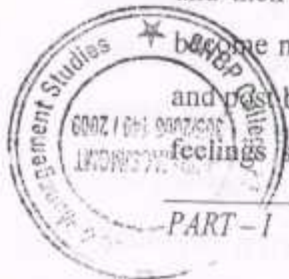
influences one's intention or behavior. Instead that intention or behavior is a result of a variety of issues relevant to the situation at hand, in study internet banking. The emerged issues for the internet banking service quality context are: web design, customer service, assurance, preferential treatment 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: Costshave 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 Contentshave 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

151

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 andthen 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 Sataraarea assuming high internet banking diffusion rate.

3.2 Statistical Tool: The collected data was analyses 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 analysis 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 influences by Service getting by banks.Followed by Information is the thirdand 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 rankwhereas with low score, Treatment and Ability to Use Internet are on ninth and tenth influencer to the use of internet baking.

Correlation & 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 62.1 percent which was collected through independent and dependent variables.Correlation analysis dictates following:

Table No.2: Reliability Statistics

Cronbach's Alpha	N of Items
.621	24

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)	.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**	1
	Sig. (2-tailed)	.005	.106	.062	.000	.000	.012	.000	
	N	192	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)by69.6% 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 1percent 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			
Service	.670	.087	.662	.823	.412
Cost	.055	.073	.063	.753	.453
Information	.422	.131	.332	.175	.861
1 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

Hypothesis1 - 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.

Hypothesis6-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.

References

1) Aditi Mittal, Arya&Sumit Gupta (2013), "Emerging Role of Information Technology In Banking Sector's Development of India", Acme International Journal of Multidisciplinary Research Volume – I, Issue – IV-April, ISSN : 2320 – 236X

2) Dick and Basu (1994), "Consumer Loyalty", http://www. Google.co.in.

3) Dinsdale and Marsden (1999), "Customer Perception and satisfaction towards Banking", http://www.google.co.in.

4) Dr. T. Sreelatha, CH. Chandra Sekhar (2012) "Role of Technology in Indian Banking Sector" IJMBS Vol. 2, Issue 4, Oct – Dec., ISSN: 2230-9519

5) E.W. Anderson, C. Fornell, and D.R. Lehmann (1994), "Customer Satisfaction, Market share and Profitability", Journal of Marketing, Vol. 58 No. 3, pp. 53-66.

6) Fornell and Bitner (1992), "The American Customer Satisfaction Index: nature, purpose, and findings", Journal of Marketing, Vol. 60, pp. 7-18.

7) H. Li and R. Suomi (2009), "A Proposed Scale for Measuring E-service Quality", International Journal of u- and e-Service,Science and Technology Vol. 2, No. 1, pp. 2-9.

8) P. J. Danaher, and V. Haddrell (1996), "A Comparison of Question Scales Used for Measuring Customer Satisfaction||", International Journal of Service Industry Management, 7(4), pp. 4-26.

9) Rust R T and Oliver R L (2000), "Should We Delight the Customers Loyal?" Journal of the Academy of Marketing Science, Vol. 28, No.1, pp. 86-94.

10) S. Nimako, N. Gyamfi, A.Wandaogou (2013), "Customer Satisfaction with Internet Banking Service Quality In The Ghanaian Banking Industry", International Journal of Scientific & Technology Research, Vol.2, Issue 7, July. ISSN 2277-8616.

YASHOMANTHAN

International Research Journal

Of

Yashaswi Education Society's
International Institute of Management Science

Management & Education
Challanges & Opportunities

Yashaswi Education Society's ™

IIMS

यशस्वी भव

INDEX

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 very vast concept that touches almost all parts of human resource management. Employee engagement is the 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.
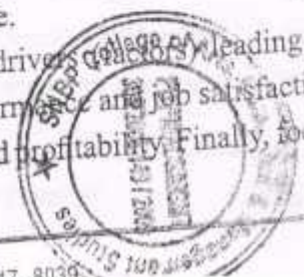
Keywords: Employee Engagement, Leadership, Organizational Justice, Job Satisfaction and Performance.

Introduction:

To help managers, different research, scholars, consultants have been contributing lot to get the best 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. 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 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.

This article sightsees the evolution of the concept. Secondly, confer the drivers 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.

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 commi :nt (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 predicator 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 Kolhepur in Cooperative Milk industry context.
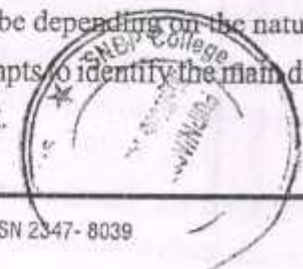
I) Policies and Procedures: To create a culture of engagement at workplace, HR systems need to work hand in hand with other managerial practices when dealing with employee. The hiring process involves dealing with employees starting from the selection process to the end of the contract, by maximizing 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.
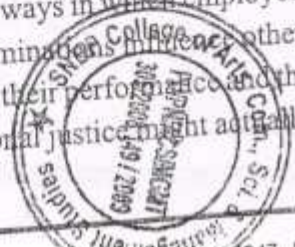
ii) Training and development: This variable is consistent with the scope of job resources as proposed in Job Demands - Resources. It bears dual importance to ambitious employees. Training, development and learning can be looked at as an n intrinsic motivator that supports employees' growth and enhances 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 out come 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 predicator 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 determing 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.

i) 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 career literature include relationship within the career theory and convergence and practices.

**ii) Performance :** The overarching purpose of this study is to provide insight into the role that engagement plays 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.

iii) 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:
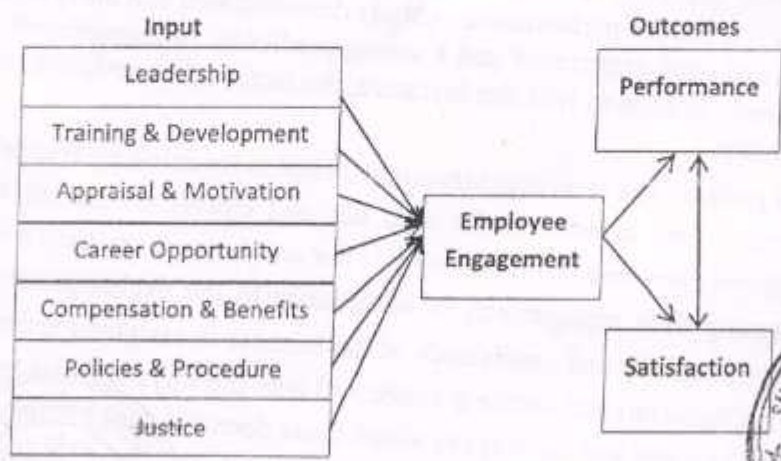
1) Methodology:

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 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**.

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

Table No.1: Variables Leads to Employee Engagement

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 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 the data, development of relationship between independent and dependent variables, validity of the model and sting of hypotheses has been carried out. The reliability measures, in term of Cronbach's alpha, reached a commended 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 gagement, which significantly correlated with performance and satisfaction. In order to examine the bbability of engagement using organizational variable and probability of outcomes (satisfaction and rformance), 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 predicator of employee engagement. It can clarify 64.2% of its total variances. Third predicator 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 predicator 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]

| Mode l | 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.
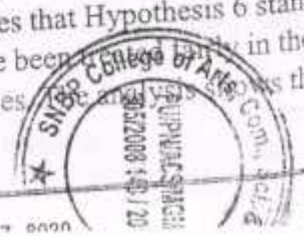
b. Dependent: Employee engagement

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	.030	.103	.570	.288	.777
Leadership	.323	.163	.498	1.984	.064
Training & Development	.336	.190	.384	1.773	.094
Appraisal & Motivation	.270	.114	.378	2.377	.030
Career Opportunity	.420	.172	.606	1.279	.218
Compensation & Benefits	.992	.151	.421	6.551	.000
Polices & Procedure	.421	.138	.689	2.112	.042
Justice					

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 stand 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 and it 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 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 duel 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 an. employees in performing their jobs. Training and development (57.4%) and compensation and benefits (56.2%) ranked the third and four predicator 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.
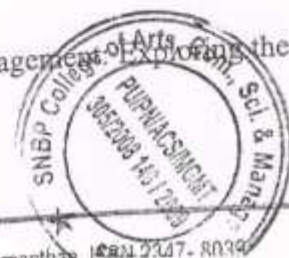
Conclusion:

The literatures indicate that employee engagement is closely related linked with organization 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.

Reference:

1) Andrew,O. & Sofian, S., 2011. Engaging people who drive execution and organizational performance, American Journal of Economics and Business Administration).[Online] Availableat: http://www.researchgate.net/publication/225034035_Individual_Factors_and Work Outcomes of Employee Engagement.[Accessed 29 January 2015].

2) Anitha, J., 2014. Determinants of employee engagement and their impact on employee performance. International Journal of Productivity and Performance Management, Volume 63 Iss 3, pp. 308-323.

3) B. Sarath Simha and B. Vishnu Vardhan, 2015. Enhancing "Performance and Retention" through Employee Engagement. International Journal of Scientific and Research Publication. Volume 5 No. 8. pp. 1-6

4) Baker, A.B., and Demerouti, E., 2008. "Towards a model of work engagement". Career Development International, Volume 13(3), pp. 209-223.

5) Bass, B., 1985. Leadership and Performance beyond Expectations. Free Press: New York, NY.

6) Bhatnagar J. 2007. Talent management strategy of employee engagement in Indian ITES employees: key to retention. Employee relation. 29 (6). pp. 640663

7) Cropanzano, R.(Ed.), 1993. Justice in the Workplace: Approaching Fairness in Human Resource Management. Erlbaum, Hillsdale, NJ.

8) Erkutlu, H., 2008. The impact of transformational leadership on organizational and leadership effectiveness: the Turkish case. Journal of Management Development, Volume 27 No. 7, pp. 708-726.

9) Gupta, V. and Kumar. S.,, 2012. Impact of performance appraisal justice on employee engagement: a study of Indian professionals. Employee Relations, Volume 35 No. 1, pp. 61-78.

10) Harter, J.K., Schmidt, F.L. and Hayes, T.L.., 2001. Business unit - level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. Journal of Applied Psychology, Volume 87, pp. 268-279.

11) M. Sandhya Sridevi and Solomon Markos, 2010. Employee engagement: The Key to Improving Performance. International Journal of Business and Management. Volume 5 No. 12. pp. 89-96

12) Maha Ahmed Zaki Dajani, 2015. The impact of employee engagement on job performance and organizational commitment in the Egyptian banking sector. Journal of Business and Management Sciences, Volume.3 No.5, pp.138-147

13) Penna, 2007. Meaning at Work Research Report cited in Bhatla, N. (2011) To study the Employee Engagement Practices and its effect on Employee Performance with special reference to ICICI and HDFC Bank in Lucknow.. IJSTER 2(8).

14) Porter, L.W., Steers, R.M., Mowday, R.T.,and Boulian, P., 1974. Organizational commitment, job satisfaction and turnover among psychiatric technicians. Journal of Applied Psychology, Volume 59, pp. 603-609.

15) Sinha, P. G. A. R. A., Organizational justice and employee engagement exploring the linkage in public sector. Personnel Review, Volume 43 Issue 4, pp. 628-652.

International Research Journal of
Commerce, Business and Social Sciences

INDEX

CUSTOMER SATISFACTION AND INTERNET BANKING IN SELECTED REGION OF MAHARASHTRA

Dr. Sudhir Atwadkar

Professor,

Institute of Management Sciences, Pimpri, Pune

ABSTRACT:

Technology has brought a complete paradigm shift in the functioning of banks and delivery of banking services. Gone are the days when every banking transaction required a visit to the bank branch. Today, most of the transactions can be done from the home and customers need not visit the bank 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. This paper empirically examines Customer Satisfaction (CS) with internet banking.

Key Words: Customer, Technology, Satisfaction, Services.

INTRODUCTION:

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. Day by day the banking environment has become more & more competitive. To survive, sustain and grow in ever changing market business organisations are going for the latest technologies and updates which is considered as resources that can help more bendable structure and respond quickly to the fast changing market circumstances. It is also considered as gadget to reduce the time, supervision and ultimate cost. It develops the effective communication and relation with the customers and associate of the banking business. 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 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 organisation. 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 the major area of any business. CS has been recognized as an important element that drives customer pre & post purchase behavior, loyalty and retaliation. 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 periodi... consistently measure the satisfaction of their customers. As the customer use the internet banki... they are not satisfied or some extend with certain dimensions of quality of services.

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 determinant affected to customer decisions? How satisfied are customer with existing internet banking? Due to this reason this study examines CS with internet banking in context to 7Ps. the objectives for this study are:

> To examine the factors affecting to customer satisfaction in context to marketing mix.
>
> To evaluate the customer satisfaction towards internet banking in context to marketing mix.
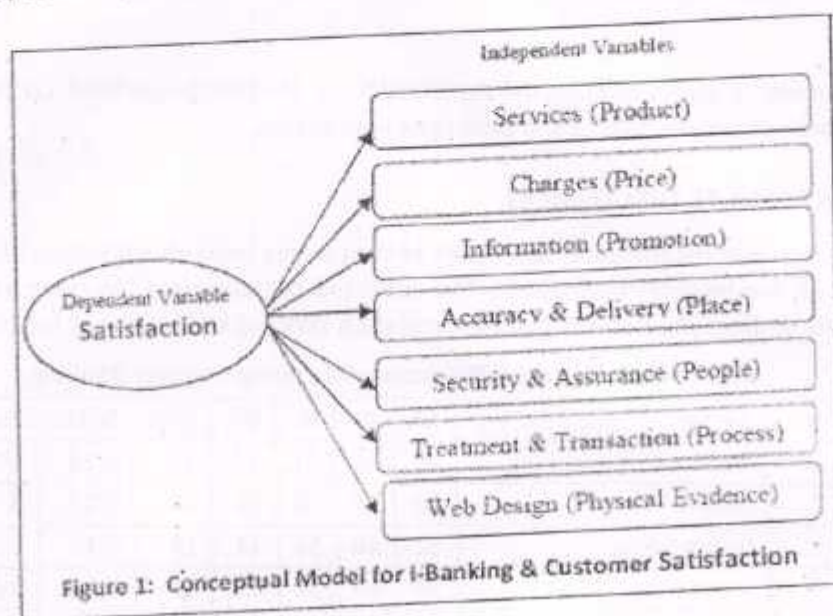
LITERATURE REVIEW:

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. 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, preferred treatment and information provision. 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 & RESEARCH HYPOTHESIS:

Consumer behavior is the study to processes involved when an individual select, buy, dispose of product, service, idea or experience (marketing mix) to satisfy or fulfill needs and desire. 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. 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. Consumers feelings seem have a major pressure on decisions. 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 recognized as 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 element of online banking service quality described as sions by the service providers that convey a sense of security and credibility. Security and privacy are 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 Fig. 1

Figure 1: Conceptual Model for i-Banking & Customer Satisfaction

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 (Product) significantly impact on CS of internet banking.

H2: Charges (Price) significantly impact on CS of internet banking.

H3: Information (Promotion) significantly impact on CS of internet banking.

I4: Accuracy & Delivery (Place) significantly impact on CS of internet banking

H5: Security & Assurance (People) significantly impact on CS of internet banking.

H6: Treatment & Transactions (Process) significantly impact on CS of internet banking.

H7: Web Design (Physical Evidence) significantly impact on CS of internet banking.

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 for descriptive phase. Data was collected from primary as well as secondary sources. The primary sources were in-depth Interviews and Questionnaire whereas secondary sources were print & internet publications. Considering time and budget constraints the data was collected from the Pimpri-Chinchwad Municipal Corporation (PCMC) 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 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, 4= Agree and 5= Strongly Agree indicating customer satisfaction towards internet banking

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 internet banking one year or more than.
The sample was selected from different area of PCMC assuming high internet banking diffusion rate.

Statistical Tool:

The collected data was analyses through the statistical tools- Weightage Method, Correlation and Regression to meet the research objectives and to test proposed hypotheses.

ANALYSIS AND RESULTS DISCUSSION

Customer satisfaction was measured as responses of consumers towards utilization of the different internet banking services on the Internet in the past. The collected primary data has been analysis 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	Mean	Rank
1	Services	43	62	31	37	19	3.38	VIII
2	Cost & Time	20	44	74	38	16	3.07	X
3	Information	32	40	58	44	18	3.13	IX
4	Assurance	39	60	51	27	15	3.42	VII
5	Security	56	73	33	20	10	3.76	I
6	Treatment	49	69	46	26	2	3.71	II
7	Accuracy	36	58	79	14	5	3.55	V
8	Transaction speed	45	53	68	19	7	3.57	IV
9	Web Design	51	71	34	22	14	3.64	III
10	Ability to Use Internet	40	49	82	17	4	3.54	VI

The study shows that the most important factor which influences the customer while using internet bankir is security. Secondly, most of the respondents are influences by treatment getting by banks. Followed by web design is the third and transaction speed is the forth influencer. At the same time accuracy and ability to use internet is on fifth and sixth rank. Assurance and services is on seventh and eighth rankwhereas with low score, information and cost & time are on ninth and tenth influencer.

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

		Product	Price	Promotion	Place	People	Process	Physical Evidence	Satisfaction
Product (Service)	Pearson Correlation	1	.479**	.514**	.356**	.016	.232**	.001	.079
	Sig. (2-tailed)		.000	.000	.000	.830	.001	.987	.275
	N	192	192	192	192	192	192	192	192
Price (cost)	Pearson Correlation	.479**	1	.552**	.201**	.141	.320**	.220**	.117
	Sig. (2-tailed)	.000		.000	.005	.051	.000	.002	.106
	N	192	192	192	192	192	192	192	192
Promotion (Information)	Pearson Correlation	.514**	.552**	1	.649**	.132	.377**	.104	.032
	Sig. (2-tailed)	.000	.000		.000	.069	.000	.151	.662
	N	192	192	192	192	192	192	192	192
Place (Accuracy & Delivery)	Pearson Correlation	.356**	.201**	.649**	1	.249**	.388**	.131	.261**
	Sig. (2-tailed)	.000	.005	.000		.000	.000	.071	.000
	N	192	192	192	192	192	192	192	192
People (Security & Assurance)	Pearson Correlation	.016	.141	.132	.249**	1	.231**	.257**	.296**
	Sig. (2-tailed)	.830	.051	.069	.000		.001	.000	.000
	N	192	192	192	192	192	192	192	192
Process (Treatment & Transaction)	Pearson Correlation	.232**	.320**	.377**	.388**	.231**	1	.043	.148
	Sig. (2-tailed)	.001	.000	.000	.000	.001		.558	.512
	N	192	192	192	192	192	192	192	192
Physical Evidence (Web)	Pearson Correlation	.001	.220**	.104	.131	.257**	.043	1	.389**
	Sig. (2-tailed)	.987	.002	.151	.071	.000	.558		.000
	N	192	192	192	192	192	192	192	192
Satisfaction	Pearson Correlation	.079	.117	.032	.261**	.296**	.148	.389**	1
	Sig. (2-tailed)	.275	.106	.662	.000	.000	.512	.000	
	N	192	192	192	192	192	192	192	192

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

> Satisfaction and web design (physical evidence) strong relationship as indicated by 38.9% 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 security & assurance (people) by 29.6% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.
> There is strong association has been found between satisfaction and accuracy & delivery (place) by 26.1% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.
> Satisfaction and treatment & transaction (process) have relationship by 14.8% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.
> Satisfaction and cost & time (price) have relationship by 11.7% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.
> There is relationship between satisfaction and service product indicated by 7.8% which have confirmed to be significant at 1percent level of significance based on 2 tailed tests.

> Satisfaction and information (promotion) have relationship by 3.2% 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	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.482 a	.232	.303	8.00955	.232	7.955	7	18 4	.000	1.727

a. Predictors: (Constant), Physical Evidence (Web), Product (Service), Process (Treatment & Transaction), People (Security & Assurance), Place (Accuracy & Delivery), Price (cost), Promotion (Information)

b. Dependent Variable: Satisfaction

Through Regression analysis only total 30.3 percent satisfaction of customers depends upon the independent variables i.e. service, cost, information, accuracy & delivery, security & assurance, treatment & transaction, web design.

TESTING OF HYPOTHESES:

Table No.5: Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Product (Service)	.073	.089	.065	.823	.412
	Price (cost)	.057	.076	.065	.753	.453
	Promotion (Information)	.024	.136	.020	.175	.861
	Place (Accuracy & Delivery)	.270	.128	.209	2.107	.036
	People (Security & Assurance)	.331	.146	.172	2.268	.024
	Process (Treatment & Transaction)	.189	.092	.073	.971	.333
	Physical Evidence (Web)	.257	.059	.304	4.387	.000

a. Dependent Variable: Satisfaction

Hypothesis # 1 - Services (Product) significantly impact on CS of internet banking.

Services has significant impact on CS of customer of internet banking by 7.3% 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 (Price) significantly impact on CS of internet banking.

Charges influences overall satisfaction of customer 5.7% 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 (Promotion) significantly impact on CS of internet banking.

Information influences the satisfaction by only 2.4% 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 (Place) significantly impact on CS of internet banking

Accuracy & delivery has strong impact on satisfaction of the customer by 27% 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 (People) significantly impact on CS of internet banking.

Security & assurance have strong impact on satisfaction 33.1 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(Process) significantly impact on CS of internet banking.

Treatment & transactions influences the satisfaction by 18.9% 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 (Physical Evidence) significantly impact on CS of internet banking.

Web design has strong impact on CS of customer of internet banking by 25.7% if provides easy understanding & qualitative design of web page portal of banks, helping & securely complete a transaction re to be ensure monitored by the hierarchy of the organisation. The analysis shows that Hypothesis # 7 ands true.

FINDINGS AND DISCUSSION:

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

> 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.

> 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.

> 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 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 ahd 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.

> The study finds out that most of respondents considering the security and assurance towards financial transaction. The banking organisation 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 most important physical evide___ ___net banking is web. The proper & qualitative web design helps to customer to eas___ ___ complete securely financial transactions. So the bank provides the attention t___ ___b 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.

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. In the ear of Globalization banks cannot survive without maintain the customer satisfaction and loyalty.

REFERENCES:

1. Aditi Mittal, Arya & Sumit Gupta (2013), "Emerging Role of Information Technology In Banking Sector's Development of India", Acme International Journal of Multidisciplinary Research Volume – I, Issue – IV-April, ISSN : 2320 – 236X

2. Dick and Basu (1994), "Consumer Loyalty", http://www. Google.co.in.

3. Dinsdale and Marsden (1999), "Customer Perception and satisfaction towards Banking", http://www.google.co.in.

4. Dr. T. Sreelatha, CH. Chandra Sekhar (2012) "Role of Technology in Indian Banking Sector" IJMBS Vol. 2, Issue 4, Oct – Dec., ISSN: 2230-9519

5. E.W. Anderson, C. Fornell, and D.R. Lehmann (1994), "Customer Satisfaction, Market share and Profitability", Journal of Marketing, Vol. 58 No. 3, pp. 53-66.

6. Fornell and Bitner (1992), "The American Customer Satisfaction Index: nature, purpose, and findings", Journal of Marketing, Vol. 60, pp. 7-18.

7. H. Li and R. Suomi (2009), "A Proposed Scale for Measuring E-service Quality", International Journal of u- and e-Service, Science and Technology Vol. 2, No. 1, pp. 2-9.

8. P. J. Danaher, and V. Haddrell (1996), "A Comparison of Question Scales Used for Measuring Customer Satisfaction‖", International Journal of Service Industry Management, 7(4), pp. 4-26.

9. Rust R T and Oliver R L (2000), "Should We Delight the Customers Loyal?" Journal of the Academy of Marketing Science, Vol. 28, No.1, pp. 86-94.

10. S. Nimako, N. Gyamfi, A.Wandaogou (2013), "Customer Satisfaction with Internet Banking Service Quality In The Ghanaian Banking Industry", International Journal of Scientific & Technology Research, Vol.2, Issue 7, July, ISSN 2277-8616.

*****

RESEARCH JOURNAL

CONTENTS

INDEX

Spiritual Intelligence for Business Leadership

Dr. Sudhir Atwadkar[1] , Prof. Mrs. Anjali Upadhye[2], Prof. Shailendra Patil[3]

ABSTRACT :

Research is finally validating what many of us knew all along - that there is more to great leaders than brains. What research is now validating is that great leaders need to use their hearts and souls, as well as their minds.

⊤ ˙ type of mature leader who can respond to such situations "Tier 2" leader-embodying an advanced stage of personal development (EQ). These high levels of adult development are inseparably linked to spiritual intelligence. Thus, mature leadership requires spiritual intelligence development.

Drawing on the "new" upgraded science of the human brain with its four different kinds of neural structures-mental, emotional, social and spiritual-Zohar offers a model for structure, leadership and learning within an organization that allows them to thrive on uncertainty, deal creatively with rapid change, and realize the full potential of those who lead or work with them. Thinking is not entirely cerebral, not just IQ, as we think with our heads but also with our emotions (EQ) and our bodies (PQ) and our spirits, our values, our hopes, our unifying sense of meaning and value (SQ), and ˙ether mind has a quantum dimension. This paper will discuss how the Spiritual Intelligence helps business leaders.

⁓words: Spiritual Intelligence, Business Leader, learning, notional, personal development.

INTRODUCTION :

Neither IQ nor EQ, separately or in combination, is enough to explain the full complexity of human intelligence, nor the vast richness of the human soul and imagination. Computers have high IQ: they know what the rules are and can follow them without making mistakes. Animals have high EQ: they have a sense of the situation they know how to respond

1. Director NSCT'S Institute of Business Mgt & Research, Chakan
2. Assistant professor, Sinhgad Institute of Business Management/P Kamlapur, Tal.Sangola
3. Asst. Prof., Dattajirao Kadam Textile & Engg. College, Ichalkaranji, Management Dept.

appropriately. But neither computers nor animals ask why we have these rules or this situation, or whether either could be different or better. They work within boundaries, playing a "finite"

game. There are so many aspects of human mental life and intelligence that no computer built, nor envisaged can replicate. These are capacities that are here called "spiritual intelligence" - the meaning - giving, contextualizing and transformative intelligence.

We learn language with our serial and associative thinking systems, but we invent language with some third thinking system. We understand common or given situations and behavior patterns and rules with our first two types of thinking, but we create new ones with this third kind, Humans are essentially spiritual beings, evolved and/or programmed to ask fundamental questions. "Who am I?" "Where am I going?" "What do others mean to me?"

Research carried out in the 1990s, first by neuro-psychologist Persinger of Ontario's Laurentia University, and later by neurologist Ramachandran at the University of California - innovators in an emerging discipline often called "neurotheology" dedicated to comprehending the complex relationship between spirituality and the brain and found the "God module" or "God spot" in the human brain that generates the sense/presence, the feeling of God-like experiences. Scans taken with positron emission typography show these neural areas light up whenever discussion of spiritual-religious topics occurs.
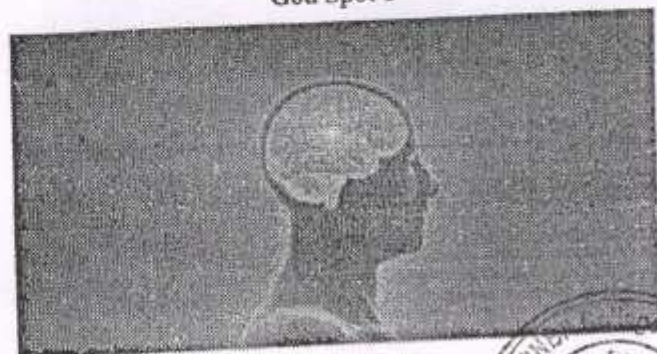
God Spot 1

Figure 1

Prof. Andrew Newberg, radiologist, (University of Pennsylvania) observed the brains of Tibetan Buddhists and Franciscan nuns as they engaged in deep prayer and meditation, by injecting radioactive "tracer" dye when the subject entered a deep meditative state, then photographing the results with a high-tech imaging camera. He found out that when people meditate they have significantly increased activity in the frontal area-the attention area of the brain and decreased activity in the orientation part of the brain. Many of these changes occur whether people are praying (focusing on oneness with a deity) or meditating (focusing on oneness with the universe). But there are differences in that prayer activates the "language center" of the brain, while the "visual center" is engaged by meditation. In his "Why Won't God Go Away" Newberg offers a simple yet scientifically plausible opinion humans seek God because our brains are biologically programmed to do so, requiring us to ask hard questions about science, faith and reason.

A third kind of neural organization makes it possible for us to do creative, insightful, rule-making breaking thinking. It is heart-to-heart thinking, it is the demystified spiritual not necessarily religious thinking with which we reframe and transform our previous thinking our Spiritual Intelligence, our Spiritual Quotient (SQ), our quantum quest for meaning, our hyperlink to everything. It is in its transformative power that SQ differs from EQ, as emotional intelligence allows you to judge what situation you are in and to behave appropriately within the boundaries of the situation, allowing the situation to guide you. Your spiritual intelligence allows you to ask if you want to be in this particular situation in the first place. In our mathematical shorthand, beyond IQ and EQ is SQ, which can develop our capacity for vision, meaning, and value, our dreams, our happiness, our intuition, our beliefs and our subsequent actions. Ideally, based upon our brain design, our three basic intelligences work together and support one another, but each of them has its own area of power and can function in a stand-alone mode.
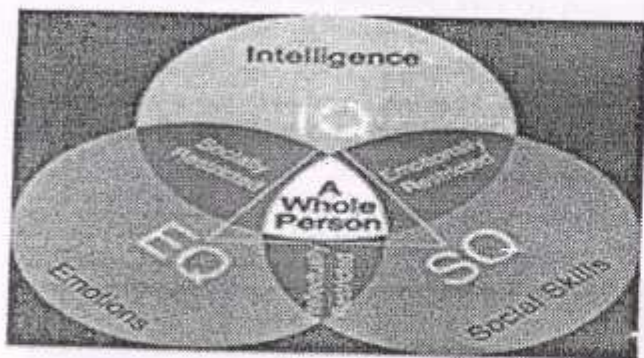

Figure 2

Human intelligence is rooted in our genetic code, and the completely evolutionary experience of life on earth.

Neurologically, everything that bears on intelligence is routed through, or controlled by, the brain and its neural extensions into the body. One kind of neural organization enables rational, logical rule-bound thinking, our Intelligence Quotient (IQ). The question remains How "bright" are you in real life, outside the classroom, boardroom or the Situation room, the office? Another kind of neural organization allows associative, habit bound, pattern-recognizing emotive thinking our Emotional Quotient (EQ or E-IQ), our capacity to tolerate ambiguity, uncertainty and complexity, our awareness of our own and other people's feelings giving us a competitive edge.
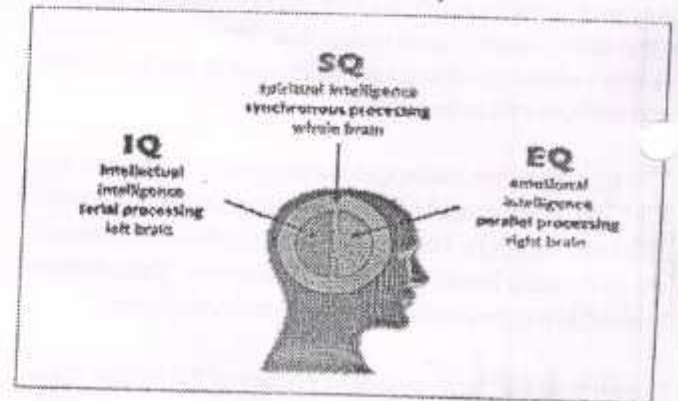
SPIRITUAL INTELLIGENCE

Figure 3

So what is the link to Spiritual Intelligence? Dana Zohar, a quantum physicist gave 9 characteristics of SQ. The first of Zohar's points directly echoes the first quadrant of EQ - Self Awareness but goes beyond it to a sense of connection to the universe.

SPIRITUAL INTELLIGENCE, ACCORDING TO ZOHAR, IS:

1. Self-Awareness you know who you really are and you know that you are connected with the whole universe.

2. Vision & Values Led or Idealism. Children naturally want to serve, and so do we. Vision and values led is definitive of our humanity.

3. The Capacity to Face and USE Adversity owning our mistakes and adversity and using pain and tragedy to learn

4. To be Holistic seeing the connections between things. Being open to and interested in everything.

5. Diversity thriving in and celebrating diversity. I look at you and see what is different in you and I say "Thank God for that!"
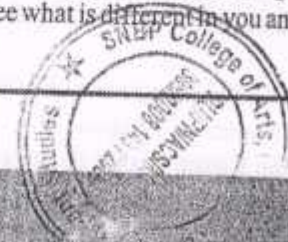
6. Field Independence (Courage) a term from psychology that means the courage not to adapt, to be independent.

7. The Tendency to Ask WHY? Questions are infinite. In Quantum Physics questions CREATE reality.

8. The Ability to Re-Frame put things into a larger context of meaning.

9. Spontaneity This is NOT acting on a whim it comes from the same Latin roots as RESPONSE and RESPONSIBILITY.

Spiritual Quotient (SQ) offers a viable tertiary brain process for synchronous neural oscillations that unify data across the whole brain, which unifies, integrates and has the potential to transform material arising from the two other processes: reason and emotion. Spiritual intelligence facilitates dialog between mind and body, between reason and emotion. "If we know how to rely on our SQ we shall become less fearful, more accustomed to relying on ourselves, more willing to face the difficult and the uncomfortable, and more ready to live at the edge . SQ gives us the ability to discriminate. It gives us our moral sense, our ability to temper rigid rules with understanding and compassion and an equal ability to see when compassion and under-standing have their limits. We use Spiritual Quotient to battle with questions of good and evil and to envision unrealized possibilities to dream, to aspire, to raise ourselves. The concept of change comes from the basic nature of Yin and Yang, which are always changing into each other only Change agents manage transformations. When Yin holds away too long it "grows old" and renews itself by changing into Yang, and vice versa. The central theme is that all things run their life cycle, and no situation remains immutably. It offers hope in despair, and warns of destruction at the height of success which is the philosophy of Yin/Yang.

All human experiences, basic perceptions, definitions of the good life, expectations for the future, and technological development are shaped by the social, political, cultural and technological milieu in which they co-exist.

Microsoft's chairman Bill Gates states in his Business @The Speed of Thought, his Twelve New Rules for success in the digital universe: velocity is the key when the increase in velocity is great enough, the very nature of business changes. If the 1980s were about quality, and the 1990s were about reengineering, then the 2000s will be about velocity: Quality improvements and business-process improvements will occur far faster, lead time, cycle time and inventory will be reduced. "To function in the digital age, we have developed a new digital infrastructure---it is the human nervous system.

Companies need to have that same kind of nervous system--- the ability to run smoothly and efficiently, to respond quickly to emergencies and opportunities, to quickly get valuable information to the interested people in the company who need it, and the ability to quickly make decisions and interact with customers. The successful companies of the next decade will be the ones that use digital tools to reinvent the way they work."

The new management paradigm taps into the innate wisdom of the heart to give purpose, direction and meaning to our chaotic, hyperactive Century-21 civilization, where all the dimensions-technology, family life, religion, culture, politics, business, hierarchy, leadership, values, sexual morality, and epistemology are in swift, radical change all simultaneously.
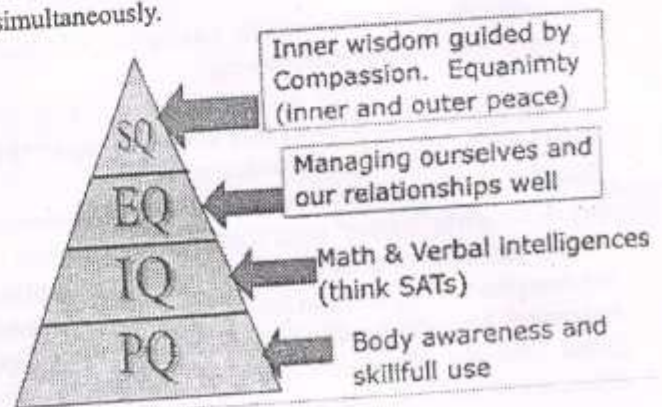

Figure 4

In addition to our five senses hearing, seeing, tasting, touching, smelling with which we experience the world directly, labeling the inputs of the world of our five senses [bird, song, music, soft, salty, etc.] is the sixth sense. Once aware of the sixth sense, we believe there is something within us, some self, which causes this labeling, some "I" which is the seventh sense. In order to become free, in order to understand our true self, according to Buddha, we need to develop an eighth sense, which allows us to realize the illusory nature of labels and intellectual analysis of the sixth sense, and the concept of "I" of the seventh sense.

EDUCATION OF THE INTELLECT :
Intelligence is, in essence, whatever works. It is just as difficult to measure Human Intelligence as it is to measure Artificial Intelligence. In this quantum interconnected view, the new approach-in politics, education, management, relationships--seeks a non-adversarial "win/win" solution A Cooperate/Cooperate solution rather than a "lose/lose" solution, or even "win/lose" or "lose/win" solution to problems, in resolving conflicts either in the personal or business arena. Rather than the old "zero-sum game" in which one party gains exactly equals the other's loss, the new
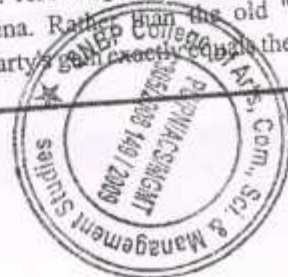
approach is a non-zero-sum approach, where both parties strive for the highest (spiritual?) gain. Win/lose is really illusory, since the losers simply lick their wounds and wait for an opportune time to reopen the conflict in the mistaken hope that they will win the next time. The conflict is not resolved. All the winners have won is period of time during which they can mistakenly pride themselves on having won. Win/win is a more sustainable approach, and it reflects an important teaching of the "ageless wisdom." If we don't solve our personal and collective conflicts now, they will just keep coming back to us later in this life or in others, as our karma, until we learn our lesson. Win/win approaches are derived in part from the Eastern martial arts such as Aikido. Instead of resisting an opposing force, we join with it and guide it to a higher level.

LET US NOW SEE ABOUT WHAT LINKS SQ TO THE LEADERSHIP?

To realize the value of spiritually intelligent leadership we need to first understand the following:

1. What life conditions do we face now as humans? What do we need leaders to be able to deal with?

These life conditions mean that opportunities will be present for civilization to "regress" to survival modes and warfare. Or we can "transcend" and find new ways of sharing one planet and ecosystem. Older forms of leadership, such as command and control, hierarchies and bureaucracies, and even strategic global networks like corporations, are limited in their effectiveness and will therefore not be the mechanism of transcending to a new way. A new form of complex life conditions demands a more complex, and a more elegantly simply, form of leadership. This new form of mature leadership will utilize the older forms of leadership (such as command and control) when appropriate. Mature leadership is flexible and utilizes all the previous "tools" of leadership.

2. Multiple intelligences - what they are and specifically what is spiritual intelligence?

When people talk about multiple intelligences they usually mention physical, cognitive, emotional, moral, spiritual and possibly musical or spatial relations as separate lines of PQ-IQ-EQ-SQ. Ultimately how many lines are needed for the discussion depends upon the topic of interest. For leadership the intelligences we deal with the most are the physical, emotional, cognitive, spiritual lines. I would include the moral line as a subset of emotional and spiritual intelligences .Physical intelligence (PQ) is body skills. A newborn infant has little PQ - as it struggles to focus its eyes, lift its head, and so on. Most of us are of average development on the PQ line. An Olympic athlete would have highly developed physical intelligence, as would a dancer or a martial art...

At the lowest level "anything I want" is right. At a higher level people learn to follow rules about what is right and what wrong (the Judeo-Christian Ten Commandments, for example). At the highest levels people develop the ability to think through complex moral situations by looking at and caring about all the viewpoints of all the people involved, and the short term and long term implications of a moral choice.

To create spiritually intelligent leaders we must know what we mean by spiritual intelligence. Spiritual Quotient (SQ) is defined by the author as: the ability to behave with Wisdom and Compassion, while maintaining inner and outer peace (equanimity), regardless of the circumstances.

The additional benefit of this inner calm state is less stress, higher resilience and more energy available for leadership. When people are appearing calm on the outside but are actually churning emotionally on the inside they become exhausted and burned out. With the intense and conflict-filled work and world environments the ability to remain calm from the inside out is a real advantage. More decisions, higher quality decisions and more skillful actions result from this state of being.

THE SPIRITUALLY INTELLIGENT LEADER :

Who is a "spiritually intelligent leader"? How do we know that we have defined this intelligence in a way that makes sense? The easiest way to validate the "construct" is to see if it makes sense to thousands of people-to ask them to describe the most spiritually powerful (i.e. intelligent) people they know. Over several years the author has asked thousands of people the same question at the start of workshops or seminars. The question is: "Who do you admire (alive or dead, fictional or not) as a spiritual leader?" I get the same list of names over and over again. This list includes some famous names - for example: Jesus, Mohammed, Gandhi, Martin Luther King, Mother Teresa, the Dalai Lama, Nelson Mandela, the historical Buddha, and Thich Nhat Hanh. The list of "spiritual leaders" will also include people who are not famous but who had a huge and positive impact on the person naming them. For example: a parent or grandparent or other relative, schoolteachers or guidance counselors, pastors/rabbis/priests, other spiritual teachers or authors, and occasionally a boss. When you ask these people "What traits or characteristics caused you to admire these people" you get an almost identical list from each group.

The traits listed typically include: honest/high integrity, authentic/walk their talk, loving, compassionate/kind, peaceful/non-violent, patient/persevering in the face of great difficulty, seeing the good in others and helping to bring it forth, wise, humble, committed to service/helping others, inspiring, generous, and open-minded. These leaders were
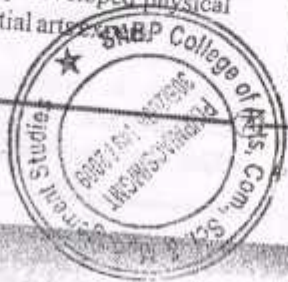
perceived as having the best interests of other people at heart...in other words they were TRUSTED.

These spiritual leaders are moved people. They moved them emotionally (inspiration, feeling touched or changed in a deep way) as well as physically (to action) and mentally (to new ideas about how to be in the world). This was almost always done in a non-coercive way (parents of children being an occasional deviation from this-perhaps totally appropriate during some stages of childhood development and the teen/early adult years). These spiritual leaders generally led by role-modeling how to be in the world, and by inspiring others toward a set of behaviors. They created a PULL toward something magnetic by being out in front personally and "walking their talk." As Gandhi would say, they were "being the change" they wanted to see in the world and acting from a ving place that inspired others to follow.

oking now at specifics, there are 18 skills of emotional

Table 1
- EQ Skills as follows by leaders

SELF AWARENESS	SOCIAL AWARENESS
• Emotional self-awareness	• Empathy
• Accurate self-assessment	• Organizational Awareness
• Self-confidence	• Service Orientation
SELF MANAGEMENT	**RELATIONSHIP SKILLS**
• Emotional Self-Control	• Developing Others
• Transparency (honest/trustworthy)	• Inspirational Leadership
• Adaptability	• Influence
• Achievement Orientation	• Change Catalyst
• Initiative	• Conflict Management
Optimism	• Teamwork & Collaboration

intelligence (EQ).

So if leadership is moving people emotionally (motivation, engagement), intellectually (new ideas) and physically (to stop, modify or start some action) then, Is developing one's SQ helpful in becoming a leader in the world of complexity we currently face? The answer is a definite YES! But to explain this we need to look at the 21 Skills of Spiritual Intelligence.

The Skills & applications of Emotional and Spiritual Intelligence in practical.

Over the last fifty-plus years, research has conclusively proven that Emotional Intelligence creates better performance in every job category measured, even including computer programming. The top 10% EQ programmers outperformed their average peers in producing effective code by 320%. The top 1% EQ programmers outperformed their average peers by 1272%. (Goleman, Working, p.37) High EQ performers understand the value of collaboration instead of competition.

The moral is that "IQ" or being cognitively very bright will get you in the door, but what makes you successful in your career is your EQ. EQ becomes more important the farther up the management ladder you climb. Daniel Goleman said, "When I compared star performers with average ones in senior leadership positions, nearly 90% of the difference in their profiles was attributable to emotional intelligence factors rather an cognitive abilities".

Table 2 : 21 Skills of Spiritual Intelligence which are useful for leadership.

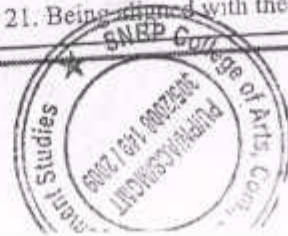| CPI Model of Spiritual Intelligence (SQ) Skills Higher Self/Ego self Awareness	Universal Awareness
1. Awareness of own worldview	6. Awareness of interconnectedness of all life
2. Awareness of life purpose (mission)	7. Awareness of worldviews of others
3. Awareness of values hierarchy	8. Breadth of time / space perception
4. Complexity of inner thought	9. Awareness of limitations/power of human perception
5. Awareness of Ego self / Higher Self	10. Awareness of Spiritual laws
	11. Experience of transcendent oneness
Higher Self/Ego self Mastery	**Social Mastery / Spiritual Presence**
12. Commitment to spiritual growth	17. A wise and effective spiritual teacher/mentor
13. Keeping Higher Self in charge	18. A wise and effective change agent
14. Living your purpose and values	19. Makes compassionate and wise decisions
15. Sustaining your faith	20. A calming, healing presence
16. Seeking guidance from Spirit	21. Being aligned with the ebb and flow of life

Table 3

Goleman and Boyatzis have described each skill from novice to expert levels ranging

Level 1	Can communicate understanding of the nature of Ego self- including its origin and the purpose it serves in spiritual development
Level 2	Demonstrates ability to observe personal Ego in operation and comment on what seems to trigger Ego eruptions
Level 3	Demonstrates awareness of and ability to periodically "listen to" Spirit or Higher Self as a separate voice from Ego self
Level 4	Hears the voice of Spirit or Higher Self clearly and understands the "multiple voices" that Ego self can have. Gives authority to voice of Higher Self in important decisions.
Highest Level 5	Spirit or Higher Self voice is clear and consistent. Authority consistently given to Spirit Self. Ego self is present and is a joyful

Our studies of the few leaders we have identified as Alchemists suggest that what sets them apart from Strategists is their ability to renew or even reinvent themselves and their organizations in historically significant ways...the Alchemist has an extraordinary ability to deal simultaneously with many situations at multiple levels. The Alchemist can talk with both kings and commoners. He can deal with immediate priorities yet never lose sight of long term goals. Alchemists are typically charismatic and extremely aware individuals who live by high moral standards. They focus intensely on the truth. Perhaps most important, they're able to catch unique moments in the history of their organizations, creating symbols and metaphors that speak to people's hearts and minds.

Nelson Mandela, one of the spiritual leaders typically cited when I ask people to list "spiritual leaders they admire", is considered to be an Alchemist.

SUMMARY:

Spiritual Intelligence can be thought of as a super-process integrating stimuli to the left- and right-brain hemi-spheres--- with perspectives that cross-cue each other, as well as question the meaning of the present situation. But how do decision makers put all the multiple perspectives together, effectively, to approach Truth.

The more intuitive you become, the more you realize that generally, can be a cooperative enterprise. It is not neces: for someone else to lose in order for you to win. In f the...way to win is to share your prosperity, to help th around you, and to convert adversaries into allie Remember that intuition is just another name for "str smarts."

To improve Spiritual Intelligence/Quotient, a review of tl workings of "transformational groups" such as, Pran healing foundation, Osho commune [visited by two of the co authors], the Pathwork Community, and Art of living center should be indicated. These noetic networks are giving practical experience in the synthesis of collective and individual approaches and the balance of rights and responsibilities. Spiritual Intelligence is the ability to use a multi-sensory approach to problem solving using Meta learning.

Listening to your inner voice, the work of scientists, psychologists, spiritual "pathfinders" and ancient wisdom and mythic traditions under girds the theory of spiritual intelligence and pedagogy. The transformative power of SQ distinguishes it from IQ and EQ: as IQ primarily solves logical problems; EQ allows us to judge the situation we are in and behave appropriately; SQ allows us to ask if we want to be in that situation in the first place. A high SQ is the best predictor of happiness, serenity, good self-esteem and harmonious & loving relationships.

High SQ demands that we stand open to experience, that we recapture our ability to see life and others afresh, as though through the eyes of a child, to learn how to tap into our intuition and visualization, as a powerful means of using our inner knowing to "make a difference". It demands that we cease to seek refuge in what we know and constantly exp and learn from what we do not know. It demands that we li the questions rather than the answers."

REFERENCES:

1. *Maslow, Abraham, The Farther Reaches of Human Nature, New York, Penguin Books, 1976*
2. *Wilber, Ken, Integral Psychology, Boston, Shambala Publications, 2000.*
3. *Gardner, H., (1993), Frames of Mind: The Theory of Multiple Intelligences, Basic Books.*
4. *Success, (Pocket Books) Simon & Schuster: New York.*
5. *Kerson & Rosemarie Huang, (1987), I Ching, Workman Publications, NY.*
6. *Kuhn, T. S., (1962), The Structure of Scientific Revolutions, University Chicago.*
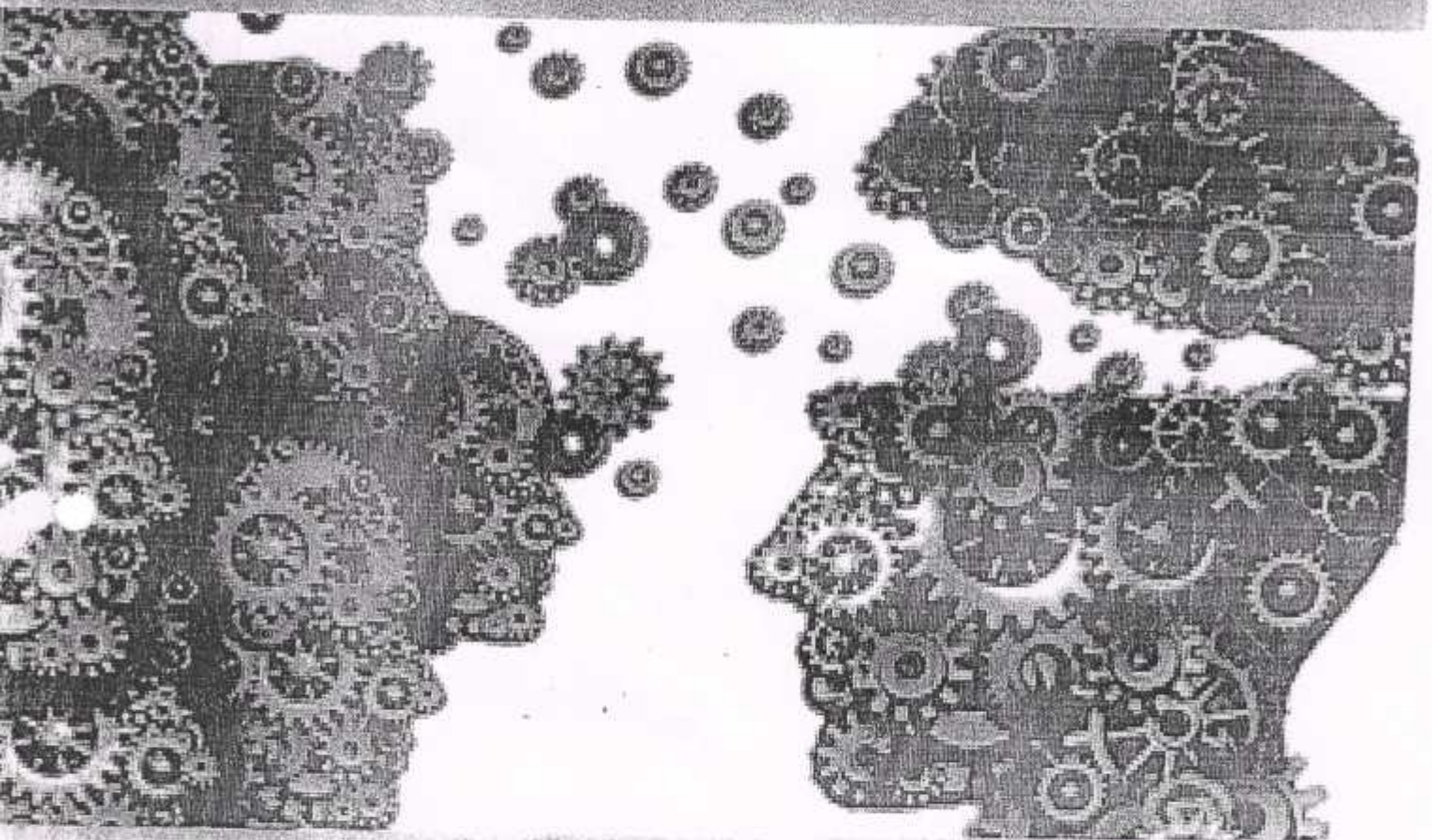7. *Shapiro, D. H. Jr., (1978), Precision Nirvana, Prentice-Hall, Clifton, NJ.*

8. Zohar, Danah & Ian Marshall, (2000), SQ: Spiritual Intelligence, the Ultimate Intelligence, Bloomsbury Press, New York.

9. Zohar, Danah & Ian Marshall, (1994), Quantum Society: Mind, Physics and a New Social Vision, William Morris and Company, New York.

10. http://www.harthillusa.com/ Enrichment&Resources.htm,

11. http://whatisnonduality.com/brainmind/is-there-a-god-spot-in-the-brain

12. http://sqi.co/archives/2326

13. http://www.consciouspursuits.com /SI/SpiritualIntelligence.aspx

14. http://www.harthillusa.com/ Enrichment&Resources.htm

—o●o—

Journal of Advance Management Research

UGC INDEX No. 42888

स्वच्छ भारत
एक कदम स्वच्छता की ओर

ENRICHED
PUBLICATIONS

Employee Engagement: It's Impact on Performance & Satisfaction

Dr. Sudhir A. Atwadkar[1], Umeshwari P. Patil[2]

[1,2]SNBP College of Arts Commerce Science & Management Studies, Morwadi, Pune-18
[1]sudhir.atwadkar@gmail.com, [2]umeshwari_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 completive 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.
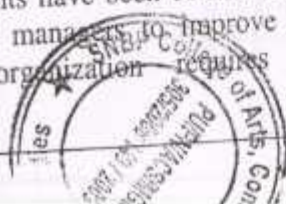
Keywords: employee engagement, leadership, organizational justice, job satisfaction and performance.

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 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 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 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.

2. 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 (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 predicator of organizational performance (Human Resource, 2017).

2.2) Importance of Engagement:

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. 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.

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 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 ann 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 out come 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 predicator 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 handwith 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, 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.
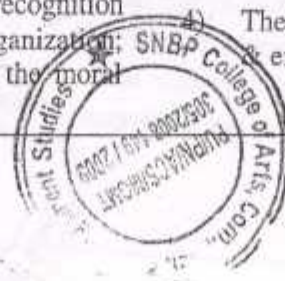
viii) **Satisfaction:** The performance benefits accrued from increased employee satisfaction have been widely demonstrated in the academic literature. To list but a few, these include: increased commitment, performance; decreased employee turnover, decreased absenteeism. Satisfaction commits embraces 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 t 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:
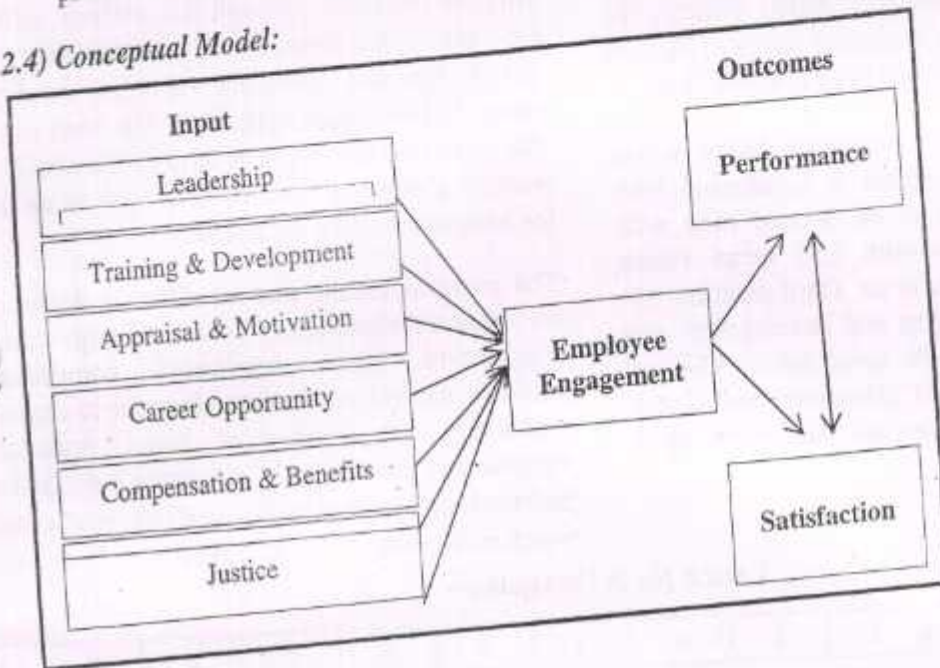
3. METHODOLOGY

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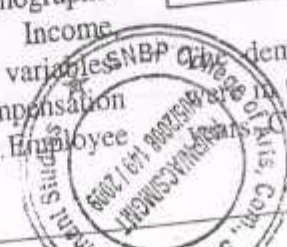
The questionnaire was included the demographic variables- Gender, Age, Education, Income, Designation and Experience. The study variables were Leadership, Training & Development, Compensation and Benefits, Organizational Justice, Employee

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 compare with male & female employees, male

employees were the majority in sample 74 percent. 52.5 percent of the sample has a bachelor degreewhereas 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 organiza 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 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	.938a	.879	.862	2.002	.036	6.298	1	12	.181	2.393

a. Predictors: (Constant): Leadership, Training & Development , Health & Safety, Motivation, Career Opportunity, Compensation & Benefit, Policies & Procedure , Justice.

b. Dependent: Employee engagement

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	.__
	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% ifconsistent 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 the

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 associationbetween 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 duel 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 predicator 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 hasa 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 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 form 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 well 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.

REFERENCE

[1] Andrew,O. & Sofian, S., 2011. Engaging people who drive execution and organizational performance. *American Journal of Economics and Business Administration).*[Online] Available at: ttp://www.researchgate.net/publication/225034035_Individua l_Factors_and Work Outcomes of Employee Engagement.[Accessed 29 January 2015].

[2] Anitha, J., 2014. Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, Volume 63 Iss 3, pp. 308-323.

[3] B. Sarath Simha and B. Vishnu Vardhan, 2015. Enhancing "Performance and Retention" through Employee Engagement. International Journal of Scientific and Research Publication, Volume 5 No. 8, pp. 1-6

[4] Baker, A.B., and Demerouti, E., 2008. "Towards a model of work engagement". *Career Development International*, Volume 13(3), pp. 209-223.

[5] Bass, B., 1985. *Leadership and Performance beyond Expectations.* Free Press: New York, NY.

[6] Bhatnagar J. 2007. Talent management strategy of employee engagement in Indian ITES employees: key to retention. Employee relation. 29 (6). pp. 640663

[7] Cropanzano, R.(Ed.), 1993. Justice in the Workplace: Approaching Fairness in *Human Resource Management.* Erlbaum, Hillsdale, NJ.

[8] Erkutlu, H., 2008. The impact of transformational leadership on organizational and leadership effectiveness: the Turkish case. *Journal of Management Development*, Volume 27 No. 7, pp. 708-726.

[9] Gupta, V. and Kumar. S.., 2012. Impact of performance appraisal justice on employee engagement: a study of Indian professionals. *Employee Relations*, Volume 35 No. 1, pp. 61- 78.

[10] Harter, J.K., Schmidt, F.L. and Hayes, T.L.., 2001. Business unit - level relationship between employee satisfaction, employee engagement, and business outcomes: A meta- analysis. *Journal of Applied Psychology*, Volume 87, pp. 268-279.

[11] M. Sandhya Sridevi and Solomon Markos, 2010. Employee engagement: The Key to Improving Performance. International Journal of Business and Management. Volume 5 No. 12. pp. 89-96

[12] Maha Ahmed Zaki Dajani, 2015. The impact of employee engagement on job performance and organizational commitment in the Egyptian banking sector. Journal of Business and Management Sciences, Volume.3 No.5, pp.138- 147

Penna, 2007. Meaning at Work Research Report cited in Bhatla, N. (2011) To study the Employee Engagement

Practices and its effect on Employee Performance with special reference to ICICI and HDFC Bank in Lucknow.. IJSTER 2(8).

[14] Porter, L.W., Steers, R.M., Mowday, R.T.,and Boulian, P., 1974. Organizational commitment, job satisfaction and turnover among psychiatric technicians. *Journal of Applied Psychology*, Volume 59, pp. 603-609.

[15] Sinha, P. G. A. R. A., Organizational justice and employee engagement: Exploring the linkage in public sector. *Personnel Review*, Volume 43 Iss 4, pp. 628-652.

Current Issue

CUSTOMER SATISFACTION AND RURAL CONSUMER: A STUDY WITH FAST MOVING CONSUMER GOODS (FMCG)

Dr. Sudhir Atwadkar

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

Abstract: From the beginning of the "customer service revolution" almost 30 years ago, a body of business research has focused on customer satisfaction. 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. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these. Marketers is monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and takes the efforts to make their customers delight and see customer satisfaction as the key to survival and profit. The right combination of marketing mix meets the customer expectations and provides customer value. With a population of more than 1 billon people, India is an important market for FMCG players. During 1950's to 1980's, there was low investment in the sector as the purchasing power was low. Post liberalization the scenario has changed with entry of the MNCs into the country and the focus shifted from the urban to the rural areas. With the rapidly growing economy, rising disposable income, changing consumer expenditure pattern and upper shifting of class of number of families, the Indian consumer market is set to take a big leap. The right combination of marketing mix meets the customer expectations and provides superior value. This article attempts to study the problems occurring in consumer satisfaction in relation to marketing mix, on the basis of which required level of consumer satisfaction being affected on FMCG products in Sangli district.

Keywords: Consumer, Value, Satisfaction, Marketing mix, Strategy.

INTRODUCTION

With a population of more than 1 billon people, India is an important market for FMCG players. During 1950's to 1980's, there was low investment in the sector as the purchasing

power was low. The existing companies were purely focused on the urban areas. However, post liberalization the scenario has changed with marking the entry of the MNCs into the country and the focus shifted from the urban to the rural areas. Also, the government had put a lot of efforts on the development of the small-scale sector. With the rapidly growing economy, rising disposable income, changing consumer expenditure pattern and upper shifting of class of number of families, the Indian consumer market is set to take a big leap. The rising aspiration levels, increase in spending power has led to a change in the consumption pattern. This would unleash a latent demand with more money and a new mindset. With growing incomes, the consumer goods market potential is expected to expand further. Fast Moving Consumer Goods (FMCG) goods are popularly named as consumer packaged goods. Items in this category include all consumables people buy at regular intervals. In India, FMCG sector consists of three product categories -*Household Care, Personal Care and Food & Beverage*, each with its own hosts of products that have relatively quick turnover and low costs.

From the beginning of the "customer service revolution" almost 30 years ago, a body of business research has focused on customer satisfaction. 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. The definition of customer satisfaction has been widely debated as organizations increasingly attempt to measure it. It can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. It is based on the customer's experience of both contacts with the organization and personal outcomes. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these. Marketer takes the efforts to make their customers delight and see customer satisfaction as the key to survival and profit. Marketers monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival. By providing superior value require the organization to do a better job of anticipating and reaching to the customer needs than the competitor. The right combination of marketing mix meets the customer expectations and provides customer value.

The basic belief of any FMCG oriented company is that the customer is whole and soul, and the hub around which the business revolves. Therefore, understanding what makes customer in general buy and what makes your customer in particular buy is a vital part of business success. It means in ever changing market environment, there is a growing concern or awareness among marketers to go for careful study of the consumer around which all marketing activities are made. 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.

This research study attempts to study the problems occurring in consumer satisfaction in relation to marketing mix, on the basis of which required level of consumer satisfaction being affected on FMCG products in Sangli district. The various problems are lack of product flexibility and features, be deficient in price flexibility, lack of promotional activities and information, problem faced by consumer in availability of goods, conduct of retailer and sales people towards customer and malpractices. This study is carried out with the following objectives -

i)   To study the factors influencing to consumer satisfaction.
ii) To study the impact of product in relation to consumer satisfaction.
iii) To study the price impact in relation to consumer satisfaction.
iv) To study the impact of promotional activities in relation to consumer satisfaction.
v)   To study the role of place in consumer satisfaction.
vi) To evaluate the impact of extended 3Ps consumer satisfaction.

REVIEW OF LITERATURE & THEORETICAL FRAMEWORK:

Review of Literature:

A review of literature is important and helpful as a background for the research work undertaken. A summarized literature review is as follows:-

According National Council for Applied Economic Research (NCAER), the income of the average villager is rising. Recession is hardly possible in rural India. Also, rural education levels are rising because the efforts to the states. The rural markets remain untapped because of three D's: distance, diversity and dispersion. Babaria & Dharod (2009) observed that people are becoming conscious about health and hygienic. There is a change in the mindset of the Consumer and now looking at "Money for Value" rather than "Value for Money".

Consumers are switching from economy to premium product. Because of changing lifestyles, rising disposable income and such factors, the willingness has been seen in consumers to move to evolved products/brands. The most important thing to tap such markets is the changing level of the consumer behavior and their satisfaction at every step. 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 & Bitner 1992). Customer delight is as the capacity to provide the satisfaction with experience that transcends normal standards of quality service(Lynch 1993). But as point out by Anderson (1994), customer satisfaction is an indicator to product or service, offered during the purchase and repeat purchase period. It is largely influenced by perceived value of the product or service that the customer experiences while purchasing and consuming product or service.

In recent days consumer in India is at the point where there is a multiplicative effect of income growth aspiration to consume and change consumption friendly ideology. In the view of the above Chairman, Federation of Indian Chamber of Commerce & Industry(FICCI) has stated that the rural markets have been a vital source of growth for most companies. He reveals that despite the hurdles that the rural economy presents, corporate-rural partnership can overcome these and bring about positive results for both the entities. Partnership needs to extend beyond agribusiness (Jiwarjka, 2004). The Indian rural market with its changing business environment and demand offers a huge opportunity for investment. So the companies modify their strategies with the structural change in organization. The Fast moving consumer goods (FMCG) companies are implemented organizational structures designed to integrate retailer-focused sales and brand-focused marketing departments. (Dewsnap & Jobber 2003).

Theoretical Framework (Model) of the Study:

In the present situation of the marketing practices, the study of consumer pre and post purchase behavior i.e. consumer satisfaction is an effective instrument to improve the success and performance of any organization. As Henry Ford has rightly said, "If there is any secret of success, it lies in the ability to get the other persons point of view and see things from his angle." Every marketer today is engaged in working towards satisfying every consumer for; they have realized that, while marketing is a core element of management philosophy, its success lies in focusing more on satisfying the needs of their customer.

To improve the level of satisfaction of consumer and develop the various strategies, a theoretical framework (Model) has been designed based on the following variables - Product, Price, Place, Promotion, Physical Evidence, People, Process (Independent) and Satisfaction (Dependent).

Consumer Satisfaction & 7Ps:

The Firmsare using marketing mix i.e. 7 Ps in various ways to meet the need of customer. These 7Ps added value to the final product which will lead to delight the customer.

i)   **Product:** Can be anything offered to market for attention, acquisition, use and consumption that might satisfy a need or want. It is key element in the overall market offering. Marketing mix planning begins with formulating an offer that brings value to the customers. This offering become the basis upon which the companies satisfy and builds profitable relationship with customer. Today, as products become more commoditized, many organizations are moving to a new level in creating customer value for their customers. To differentiate their offers, beyond simply making products and delivering services, they are creating value and managing customer experiences with their product.

ii)   **Price:** Price is the only element in the marketing mix that produces revenue, all other elements represents costs. It is the amount of money charged for a product. It is also consider as the sum of the values that consumer exchange for the benefits of having or using the product. Historically, price has been the major factor affecting buyer choice. In recent days non-price factors have gained increase importance. Some of organizations view pricing as a big headache and do not handle pricing well. Reducing price unnecessarily can lead to lost profit and damaging price war. The smart organizations treat pricing as a key strategic tool for creating and capturing customer value.

iii)   **Place:** A set of interdependent organizations that help make a product available for use and consumption by consumer or user. Most of use intermediaries to bring their products to market. From the economic systems point of view, the role of marketing intermediaries is to transform the assortments of product made by producers into the assortments wanted by consumers. The making products available to consumers, channel members add value by bridging the major time, place and possession gap that separate goods from those who would use them. Marketing channel decisions directly affect every other marketing decision, and increase cost. Many organizations have used imaginative distribution system to gain a competitive advantage.

iv)   **Promotion:** Promotion is not a single tool but rather a mix of several tools. Under the concept of integrated marketing communication, the company should carefully coordinate these promotion elements to deliver a clear, consistent and compelling message about organization and its product. It is crucial element in organizations' efforts to build profitable customer relationship. Building good customer relationships not only cause developing a good product, attractive pricing, making it available but also communicate their value propositions to customers. Organizations need to do more than just create customer value. They must also use promotion to clearly and persuasively communicate that value.

v)   **People:** It is considering all the members who participating in creation of product to delivering it to consumer, including organizations employees,-intermediaries, sales persons etc. The organizations members have play an important role to deliver satisfactory services to customer. The member of organization should be developed to deliver the quality dimensions i.e. reliability, assurance and responsiveness. People should be considered as most useful manpower available to any organization and effective utilization can directly improve organizations performance, in term of revenue, profitability and above all customer satisfaction.

vi)   **Physical Evidence:** Physical evidence in its many forms will help the potential customer to evaluate the product offering. Often customer evaluates the product on physical evidence before it purchase. The customer overall judgment of quality of product can be an evaluation of both the process and the outcome compared with the customers own expectations and desired benefits. Consumer impression of quality will always be subjective and based on their individual perception of the physical evidence and other elements of the product offering. Physical evidence play important role in enhancing customer's perception.

vii)   **Process:** Process is the way of undertaking transactions, supplying information and providing serves on a way which is acceptable to the consumer and effective to the organization. In organizations, the system by which customer receive, delivery response constitutes the process. Though the consumer remain the part of the product delivery throughout, but his or her involvement from pre to post consumption stage is not commonly practiced. Introducing a real beneficial process, which needs to be a systematic understanding the customers wants and patterns of behavior. While designing a process, the designer has to maintain a balance between functionality, security, aesthetics and ease of use by customer. The process of adding value or utility to system input and to create outputs which are useful for the customers.

Through the study of review of literature and theoretical framework the following research hypothesis has emerges:

i)   There is significant relation between product and consumer satisfaction.

ii) There is significant relation between price and consumer satisfaction.

iii) The promotional activity influences the level of consumer satisfaction.

iv) The place influences the level of consumer satisfaction.

v)   There is significant relation between the physical evidence and consumer satisfaction.

vi) There is significant relation between people and consumer satisfaction.

vii) There is significant relation between process and consumer satisfaction.

MODEL OF THE STUDY
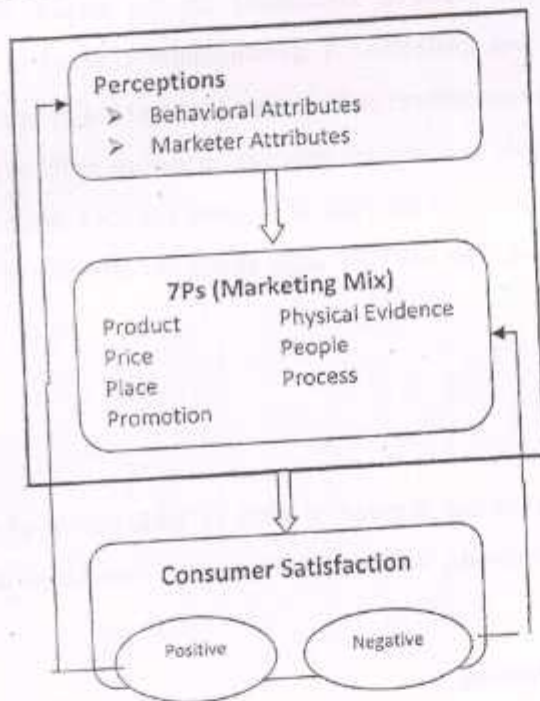
RESEARCH METHODOLOGY:

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.

Research Design: In this study, the Exploratory Research Method was adopted to ascertain the impact of independent variables i.e. 7Ps on satisfaction of consumer in order to achieve required level of satisfaction towards FMCG products.

Population of The Study: This study aimed to find out the problems of consumer due to which their satisfaction level is being affected. In this study, the population consists of all the customers & consumers who is purchasing and consuming the FMCG products in Sangli district.

Sample Techniques: For this research Probability Sampling technique has adopted in which Multi-stage sampling method was used. On the basis of higher population, Fivetehsilswere selected to choose the samples from the district. These tehsils are Miraj, Tasgaon, Palus, Shirala. By using simple random sampling, 108 homes were selected as samplefrom each tehsil, and fill-up the questionnaire.

Sample size:108 homes were selected from each tehsil. The maximum density of homes located near to market. So the sample size of the study is consisting of 540 homes from Sangli district.

Research Tools & Instruments: The research instrument for the present study was questionnaire and through the data was collected. A questionnaire consists of a set of questions asked in questionnaire to the respondents and answers are recorded by researcher in a face to face situation. Efforts were made to construct structural questions as far as possible. Questionnaire of this study 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.

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.

Factors Influencing to Customer Satisfaction:

Table No.1: Factors Influences CS

No.	Factor	Mean	Rank
Behavioral			
1	Cultural		II
2	Social		III
3	Personal		I
4	Psychological		IV
Organizational			
1	Product		II
2	Price		III
3	Promotion		I

4	Place		IV
5	Physical Evidence		V
6	Process		VI
7	People		III

The personal factors and the promotional activities have more impact and influences more to the consumer satisfaction and both have First rank. With Second rank, Cultural and Product attributes have major impact on satisfaction level of consumer.

The comparison of impact of behavioral and organizational attributes indicates that the buying behaviour is more influences by the behavioral attributes. But it is also observed that these consumers slowly change their preference.

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 71.4 percent which was collected through independent and dependent variables.

Table No. 2: Reliability Statistics

Cronbach's Alpha	N of Items
.714	54

Correlation analysis dictates following:

Table No.3: Correlations

		Product	Price	Place	Promotion	Physical Evidence	People	Process	Satisfaction
Product	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	540							
Price	Pearson Correlation	.450	1						
	Sig. (2-tailed)	.074							
	N	540	540						
Place	Pearson Correlation	.374**	.020	1					
	Sig. (2-tailed)	.009	.791						
	N	540	540	540					
Promotion	Pearson Correlation	.667**	.636**	.579**	1				
	Sig. (2-tailed)	.000	.001	.001					
	N	540	540	540	540				
Physical Evidence	Pearson Correlation	.693**	.581**	.599**	.872**	1			
	Sig. (2-tailed)	.000	.001	.001	.000				
	N	540	540	540	540	540			

People	Pearson Correlation	.595**	.442*	.648**	.678**	.595**	1	
	Sig. (2-tailed)	.000	.016	.000	.000	.000		
	N	540	540	540	540	540	540	
Process	Pearson Correlation	.682**	.661**	.370	.866**	.699**	.718**	1
	Sig. (2-tailed)	.000	.001	.069	.000	.000	.000	
	N	540	540	540	540	540	540	540
Satisfactio n	Pearson Correlation	.710**	.700	.523**	.732**	.629**	.644**	.622**	1
	Sig. (2-tailed)	.000	.210	.000	.000	.000	.000	.000
	N	540	540	540	540	540	540	540	540

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

➢ There is bonding between satisfaction and promotion and impact of promotion activities on consumer satisfaction which indicated by 73.2% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ There is association between satisfaction and product and the impact of product on consumer satisfaction indicated by 71% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ The association has been found between satisfaction and price and the impact of price on consumer satisfaction indicated 70% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

➢ Satisfaction and people has relationship and people impacts on consumer satisfaction by 64.4% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ The association between satisfaction and physical evidence indicate by 62.9% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

➢ The association has been observed between satisfaction and process by 62.2 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ There is average association of satisfaction and place by 52.3 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests

Table No. 3: 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	.827[a]	.769	.742	16.522	.038	5.298	1	21	.022	2.493

a.   Predictors: (Constant): Product, Price, Place, Promotion, Physical Evidence, People, Process

b.   Dependent Variable: Satisfaction

Through Regression analysis it is observed that total 74.2 percent satisfaction of consumer depends upon the independent variables i.e. product, price, place, promotion, physical evidence, people, process.

Testing of Hypothesis

Table No. 4: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
Product	.035	.107	.394	.288	.762
Price	.342	.160	.339	1.974	.070
Place	.440	.129	.192	3.210	.005
Promotion	.360	.180	.527	1.762	.097
Physical Evidence	.290	.119	.267	2.335	.040
People	.210	.170	.362	1.378	.208
Process	.989	.157	.241	3.551	.000

a. Dependent Variable: Satisfaction

Hypothesis #1: There is a significant relation between product and consumer satisfaction.

Product has significant relation with consumer satisfaction by 39.4% if comprehensive product range, consistent quality, freshness of product, replacement, convenient packaging are to be monitored. The analysis shows that Hypothesis # 1 stands true.

Hypothesis #2: There is significant relation between the price and consumer satisfaction.

Price influences overall satisfaction of consumer by 33.9% if offer cheapest price, no variation in printed price and actual price, price is reasonable in relation to benefits and quality, difference in price of branded and unbranded product are to be facilitated by the supplier of FMCG. The result shows that Hypothesis # 2 holds true.

Hypothesis #3: The promotional activity influences the level of consumer satisfaction.

Promotion has strong impact on satisfaction of consumer by 52.7% if an ads campaign, motivations, display, sales promotion tools, trustworthy in schemes is to be ensured by the marketer. This result shows that Hypothesis # 4 stands true.

Hypothesis #4: The place influences the level of consumer satisfaction.

Place strongly influence the consumer satisfaction by 19.2% if convenient stores location and hours, availability of product, storage facility, order processing & cycle, home delivery conveniences are to be given by the marketer and seller of FMCG products. The result shows that Hypothesis # 3 holds true.

Hypothesis #5: There is significant relation between physical evidence and consumer satisfaction.

Physical evidences and consumer satisfaction have strong association by 26.7% if suit for changing preferences, improve standard of living, involvement in purchase and awareness ensured. The result shows that Hypothesis # 5 holds true.

Hypothesis #6: There is significant relation between people and consumer satisfaction.

People and consumer satisfaction shows average correlation by 36.2% if customer interaction with person, customer respect, service by retailer and outcome of complaint are to be considered inFMCG products. The result shows that Hypothesis # 6 holds true.

Hypothesis # 7: There is significant relation between process and consumer satisfaction.

Process has strongly relation with consumer satisfaction by 24.1% if product modification, pricing trends, availability and information of promotional schemes, enhance state of existing life and offering value to customer are to be given by the seller of FMCG products. The result shows that Hypothesis # 7 holds 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 that product offer a bundle benefit which fulfill the needs and wants of the consumer. If the level of fulfillment is up to expectations they are satisfy and it exceed the customers are delight. More than 60% of the respondents satisfied with the
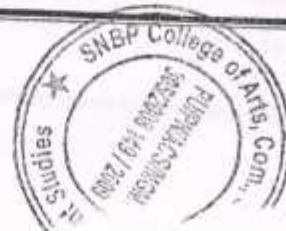
comprehensive range of products in FMCG. 30% of the respondents feel that there is consistency in quality whereas 39% respondents think there is no variation in quantity printed and actual. It also reveals that the freshness of FMCG products is exceptional (59%). 43% respondent has agreed that there is convenient packaging for handling whereas 64% respondents feel that these packaging attracts the attention. Only 25% of respondents are strongly agreed and agree with the replacement facility in FMCG.

➢ It is found that there are two different segments that require different communication approach. One who is stays in cities or touch with cities, well educated, occupying service 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.

➢ Most of the organizations today face fierce and fast changing pricing environment. Price is only element that generates revenue. So pricing decisions can make or break the organization. Only 24% respondents feel that supplier offers cheapest price. Very 25% respondents think that there is no variation in printed price and actual. 35% of respondents each were agree and disagree with the price is reasonable in relation with benefits. More than half of the respondents were agreeing that compare to quality the price is equitable. Half of the respondents were feels the price difference between branded and unbranded product is justifiable in FMCG.

➢ It is found that 68% respondents were agreeing with the FMCG stores location and displays areconvenient. 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. Only 27% respondents were agreeing with the home delivery of the FMCG.

➢ Promotion is an important device 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 TV ads having more impact than the print. 47% respondents have good experience with the attractive and fair product display. 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. in FMCG.

➢ It is observed that near about half of respondents were thinks that the FMCG products solving the problems, fulfilling the needs and improve the standard of living of respondents. It also reveals that these products suit the changing preferences. More than 75% respondents were agreeing with their involvement in buying Food & Beverage. 46% respondents were

aware with the various brands of FMCG. More than 60% respondents were feels that supplier of FMCG have high standard of hygiene.

➢ The study reveals that sellers treat the respondents with respects and 53% respondents were agreeing with this. 42% respondents were get wide and qualitative information by sales persons and their response was reliable. The interaction (38%) and prompt service (49%) of sales person inspired to buy product. 32 % respondents get the fair outcome of the complaints.

➢ It is observed that more than half of respondents were thinks that there are regular product modification activities in FMCG. The study shows the pricing systems were not balanced by these companies. 43% respondents were happy with the promotional process. 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. The study indicates that 44% respondents were thinks that the FMCG companies serve respondents by offering value and helps enhance state of existing life.

➢ The study reveals that of the respondents were happy with marketing mix in FMCG products (63%). It indicates that most of FMCG companies focus on various attributes of consumer and they develop the strategies with the view of consumer satisfaction.

LIMITATIONS & RECOMMENDATIONS

Limitations:

The present study carried out with regard to FMCG in Sangli district. While collecting data number of limitations faced by the researcher. The major limitations were lack of positive response of respondents, inferiority complex in respondents and time limit.

Recommendations:

In view of the afforested scenario of region and the findings presented, an attempt is made to put forth the constructive suggestions with a view to:

➢ These markets are slowly gaining the changes in term of preferences, taste, habits. So the producer should keep constant focus on the distribution system. If the distribution process will not be effective and efficient then the consumers divert him to substitute goods which will causes to loss of consumer ultimate profit.

➤ Companies should be design a different communication approaches and choice of media for such areas where consumers who have less receptive capabilities. They can process linear, logical, simplistic communication with beginning, ending and a sequence of events. In case of message rendering there is a need to use vernacular language which is dialect specific.

➤ The consumers are more conscious about the packaging and identify the products on the basis of packaging. So the marketer should focus on the attention attractive & burly handling packaging.

➤ Organization must take channel decision carefully, incorporating today's needs with tomorrow's likely selling environment. Village retailers play a vital role in the movement of products to remote areas. Village retailers are the most crucial channel members and therefore, marketers have to focus on them to market their product effectively.

➤ The brand names of the products sold in markets should be easy to pronounce and remember.

➤ The customers are price conscious. Therefore, the marketer should offer products which are affordable to villagers, and at competitive prices. Mostly low priced products will be more successful in these areas due to the mindset of the consumer.

➤ The companies take consumer research with some time interval which helps to them develop region wise specific consumer profiles, understand the consumer and their characteristics to identify the target market.

➤ The companies should be focus on explore the local markets such as weekly bazaars, stalls, exhibitions etc. and improve them slowly with trust creating activities which helps to create a value and buildup the relationship.

CONCLUSION

There is common perception that India is established in village. Most of area is covered by rural (Grâmin) part, which is still untapped. The study indicates that most of the consumers are satisfied with the marketing mix strategies but there is more market which is untapped by various marketers or unknown to others. Small villages are there where still consumers are unaware with the various FMCG products. The changing life style, high literacy etc. shapes and molds the desire and wants of these consumers. These markets are slowly gaining changes in preferences, taste, habits, spending and consumption patterns. Apart from rural

area now a day the consumer involvement is increase in purchasing. The technology promotes the companies various promotional activities. Though the present study has focused on the customer satisfaction with context to FMCG , still there is exists and remains some of the issues which are untouched leaving scope for further research which may come-up in any forms like consumption patterns, supply chain management, tuning promotional strategy.

REFERENCES

[1]   A Sarangapani and T. Mamtha (2009), "Rural Consumer- Post purchase Behaviour and Consumerism" ASBM Journal of Management II (I), pp. 176-199.

[2]   Anita Rani (2011), "Tuning the Retailing Strategy to Woo Consumer", Marketing Master Mind, Vol. XI, Issue 5, May , pp.31-40.

[3]   Ashokan C.G. Hariharann (2008), "Profile and Perception of Retail Consumer-An Empirical Study in Palakkad District", Indian Journal of Marketing, Vol. XXXXIII, No. 2, February, pp..24.

[4]   Anderson E W Formell & Lehman (1994), "Customer Satisfactions Market Share and Profitability", Journal of Marketing, Vol.58, pp.50.

[5]   Dewsnap and Jobber (2003), "Rethinking Marketing Structures in the FMCG Sector," Working Paper Series No. 03/06.

[6]   FMCG: The   Indian   opportunity   By   Equitymaster.com www.bestindiansites.com

[7]   Fornell and Bitner (1992), "The American Customer Satisfaction Index: Nature & Purpose," Journal of Marketing, Vol.60, pp.7-18.

[8]   Jiwarjka S K (2004), "Rural Marketing Summit 2004," http://ficci.com.

[9]   IBEF's- Fast Moving Consumer Goods Report, http://www.naukrihub.com.

[10]   India Report: http://www.chilli.blogs.com/india report.

[11]   J.K. Sachdeva, Business Research Methodology, 2008, Himalaya publishing House.

[12]   Lynch J.J. (1993), Managing The Delight Factor, 1st Edition, P.1, IFS International Ltd. Bedford.

[13]   M.K. Rampal & S.L. Gupta, Service Marketing, 2009, Galgotia Publishing Company.

[14]   Mahesh Babaria and Mittal Dharod, FMCG Sector (2009), http://www.ghallabhansali.com, pp. 1.
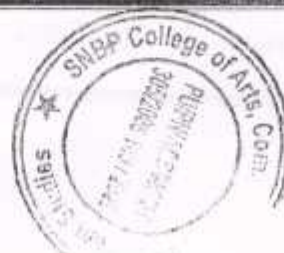
[15]   National Council for Applied Economic Research (NCAER) Report.

[16]   Philip Kotlar& Gray Armstrong, Principles of Marketing, 2009, Pearson Prentice Hall.

[17]   Ron Zemke and Dick Schaaf, The Service Edge: 101Companies that Profit from Customer Care (New York: New American Library, 1989), 31.

[18]   Suja Nair (2007), 'Consumer Behaviour and Marketing Research, 2nd Edition, (I), Himalaya Publishing, Mumbai pp.1.

CONTENTS

***

JOMAT

AN EVALUATION OF CONSUMER SATISFACTION WITH SPECIFIC REFERENCE TO THE FAST MOVING CONSUMER GOODS (FMCG) IN KOLHAPUR AND BELGAUM DISTRICT

Sudhir Atwadkar

D. M. Kumthekar

INTRODUCTION

In the modern fast-changing competitive market environment, the economy of a notion, not confined to India but universally, has conformed to two major and far-reaching changes - a change from domestic to global and a change from the global to rural economy. Both these changes are evolutionary. FMCG sector were witnessed more than 60 percent growth in rural and semi-urban India in 2010. The Indian rural market with its changing business environment and demand offers a huge opportunity for investment. Rural India has a large consuming class with 41 percent of India's middle-class and 58 percent of the total disposable income. The Corporate sectors have already realized the vast opportunities, existing in the rural sector and are trying to harness these with their strategies specially aimed at rural markets. Indian Fast Moving Consumer Goods (FMCG) industry has a long history. However, the Indian FMCG industry has began to take shape only from the last fifty years. The Indian FMCG sector is the fourth largest sector in the economy with sum of domestic consumption capacity of nearly 20 billion U.S. Dollar and the total market size was US$ 25 billion as of 2008 and it was reached to US$ 30 billion in 2010. The sector generates 5% of total factory employment in the country and is creating employment for three million people, especially in small towns and rural India.

The FMCG sector consists of three product categories, each with its own hosts of products that have relatively quick turnover and low costs: *Household Care, Personal Care and Food and Beverage*. Indian customers for FMCGs are shifting towards higher lifestyle categories like skin care, hair care, deodorants, convenience foods, health foods etc. In fact, skin care, hair care, deodorants, convenience foods, and health foods are expected to experience notably higher growth than others in the near term. More than 200 million people were shifted towards processed and packaged food at the end of year 2010. For personal care lifestyle products, consumers are becoming increasingly willing to pay premium prices. This trend has compelled some companies to raise prices and even create products aimed at the premium segment. According to industry estimates, the organized FMCG market is expected to continue to grow at a faster pace in coming years by replacing the traditional goods market (especially in the major metropolitan areas), and it will be growing at 15% annually.

Even today, the Indian FMCG industry continues to suffer from a definitional dilemma as well as the exact estimation of market size. The Indian Consumer market size has reached US$ 400 billion in 2010 and is projected to grow at 23 per cent per annum to reach US$ 590 billion by 2012. With more than ₹ 43,000 cores (in organized sector) fast moving consumer goods turnover, the FMCG industry is a crucial component of the Indian economy. However, the factors such as low rural penetration, dependence on monsoon, price sensitivity of consumers and increased level of competition could decrease profit margin in the industry. The Indian FMCG sector is primarily a low margin business, where success depends on the volume.

© SBPIM
Professor, Institute of Business Management & Research, Chakan, Pune.
Eemail Id: sudhir.atwadkar@gmail.com
Contact No.:8275001199

Associate Professor, V. P. Institute of Management Studies & Research, Sangli
Email Id:
Contact No.:

is greatly affected by customer expectations. **Satisfaction** is also based on the customer's experience of both contacts with the organisation and personal outcomes. Some researchers define a satisfied customer within the private sector as "one who receives significant added value." Customer satisfaction differs on the basis of situation, the product and service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these. Customer satisfaction is highly personal assessment that is greatly influenced by individual expectations. As the recent survey by A. C. Nielsen shows, *about 71 per cent of Indians take notice of packaged goods labels containing nutritional information compared to two years ago which was only 59 per cent.*

Some definitions of customer satisfaction are based on the observation that satisfaction or dissatisfaction results from either the confirmation or disconfirmation of individual expectations regarding service or a product. To avoid difficulties stemming from the kaleidoscope of customer expectations and differences, some experts urge companies to "concentrate on a goal that's more closely linked to customer equity." Instead of asking whether customers are satisfied, they encourage companies to determine how customers hold them accountable. The main problem of firms is the diversion of consumer. The changing environment gives new shapes to consumer. The changing life-style of consumer changes their expectations and preferences. From the beginning of the customer service revolution almost 20 years ago, a body of business research has focused on customer satisfaction and customer-focused organisations. Business consultants, corporations and others have worked to identify the characteristics of organisations that consistently please their customers, to develop tools for monitoring customer satisfaction, and to build continuous, quality improvement systems that respond to consumer feedback.

Customer satisfaction is a measure of how products and services supplied by a company can meet the customer's expectations. Customer satisfaction is still one of the single strongest predictors of customer retention. It is comparatively more expensive to attract new customers than it is to keep old ones happy. In a climate of decreasing brand loyalties, understanding customer service and measuring customer satisfaction are very crucial. There is obviously a strong link between customer satisfaction and customer retention. Customer's perception of Service and Quality of product will determine the success of the product or service in the market.

Business experts recommend focusing on the entire consumer experience with each service. *"It is the totality of the buying and consuming experience that will keep the customers coming back for more."*[7] More than just the basics of customer service create a favorable experience for the customer. **Consumer** is the end user of the product or services. He may or may not be customer. Successful service companies attend to every detail to ensure that the **customers or consumers** should have physical, social, and psychological pleasant experience. Consumer expectations are the belief or perceptions of certain outcome from the purchase or consumption of a certain product or service. There are many reasons why consumer expectations are likely to change over time. Process improvements, advent of new technology, changes in customer's priorities, improved quality of service provided by competitors, price negotiations and the value added elements are just the few reasons. Consumer expectations can exist at four levels, Expectation at General level, Expectation at Category level, Expectation at Brand level and Expectation at the Transaction level. Now a day there is a need to understand the customer as well as the consumer.

The present study is pertains to the area of **consumer satisfaction**. In order to have clear idea about the responses of customer towards a particular product or services, it is quite essential that company should attach due importance to customer/consumer, product or services, competitors, market and marketing strategy and should be studied focusing customer/consumer.

With the better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path of future progress and improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company. Customer expectations are the customer-defined attributes of product or service and must meet or exceed to achieve customer satisfaction.

Process of Family Decision Making
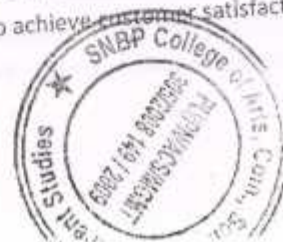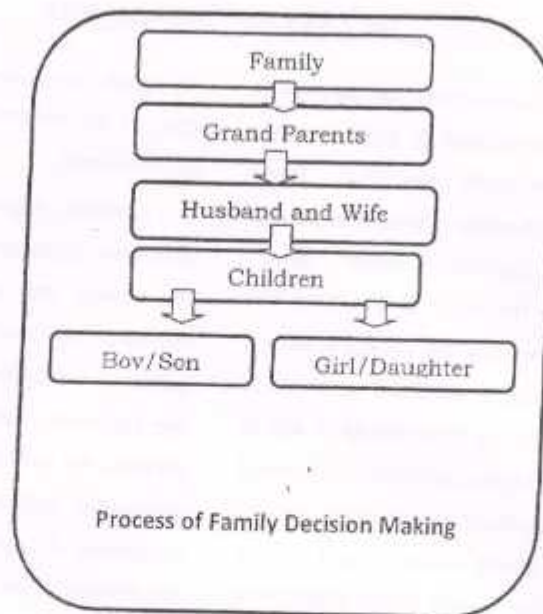
Earlier research shows that the purchase decision process is collective. Decision making is a joint process in the family. The grand Parents act as Guide, Woman as initiator, Child as influencer and man as financer.

In recent days consumer in India is at the point where there is a multiplicative effect of income growth aspiration to consume and change consumption friendly ideology. In the view of the above, it is the need of time that companies marketing the fast moving consumer product (FMCG) must come-up with update marketing plan to cater to the changing requirements of consumer and in turn attempt to increase the level of consumer satisfaction towards their fast moving consumer products.

Every manufacturer is producing the goods for sale, but the manufacturer who is also marketing the products, has to take the efforts to attract the consumer and fulfill consumer's requirements, expectations and satisfaction. This, in turn, needs to conduct the consumer research studies (including need, expectation, requirements, influence and satisfaction), which facilitates to understand the consumer and the level of consumer satisfaction so that marketing strategies can be framed accordingly.

STATEMENT OF THE PROBLEM

Within the broad framework of marketing, the most important and interesting area is consumer behaviour, most particularly consumer satisfaction, which are basically concerned with the understanding an individual consumer's acts in certain consumption. Consumer's requirements, expectations, satisfaction and complexities of behaviour have the top-most priorities which are to be taken care of, by any kind of organisation for its survival and growth in the competitive business environment.

Hence the present study entitled- *"An Evaluation of Consumer Satisfaction With Specific Reference To The Fast*

Moving Consumer Goods (FMCG) In Kolhapur and Belgaum District" has been undertaken for in-depth study.

OBJECTIVES OF THE STUDY

The following have been set as the objectives of the present study:

(i) To study the conceptual ideology with reference to -
- Marketing of FMCG,
- Consumer behaviour and
- Consumer Satisfaction.

(ii) To study and present brief profile of –
- Kolhapur District,
- Belgaum District and
- Consumer.

(iii) To analyse
   (a) The consumer preferences with regard to select category of FMCG.
   (b) The consumption patterns with regard to select category of FMCG.
   (c) The purchasing patterns with regard to select category of FMCG.

(iv) To study and analyse the factors influencing –
   (a) Consumer's buying decision to select category of FMCG.
   (b) Consumer satisfaction to select category of FMCG.

(v) To observe the behavioural aspects of FMCG consumers.

(vi) To make a comparative study of Kolhapur and Belgaum Consumers.

(vii) To understand and examine the post purchase behaviour of consumer in term of their levels of satisfaction.

(viii) To suggest measures for better and effective consumer satisfaction in Kolhapur and Belgaum district.
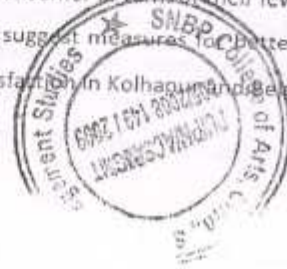
HYPOTHESES OF THE STUDY

The following null hypotheses have been taken up for testing under the present study.

Hypothesis 1: Place and type of shopping of FMCG are independent.

Hypothesis 2: Frequency and type of shopping of FMCG are independent.

Hypothesis 3: While buying FMCG the consumers do not verify:

A) Label of product

B) Ingredients of product

C) Price printed on product

D) Quantity printed on product

E) Packaging of product

Hypothesis 4: Switch to another product due to and type of products of FMCG to be purchased are independent.

A) Family influences

B) Poor experience towards quality

C) Attractive packaging

D) Advertisements

E) Promotional schemes

F) Lack of home delivery facility

Hypothesis 5: The level of satisfaction and overall performance of FMCG category are independent.

Hypothesis 6: There is no difference between the influences of accompanies and product category of FMCG.

METHODOLOGY ADOPTED FOR THE STUDY

The present study is comprehensive in nature. Therefore, methodology consists of sample survey of consumers of Fast Moving Consumer Goods (FMCG) in Kolhapur and Belgaum district.

Stressing the prime importance on survey method, the required data is collected by personally visiting a substantial number of consumers and customers. The methodology adopted comprises: Data collection, Selection of study areas, Sample Design.

SOURCES OF DATA COLLECTION

The methodology of data collection for present research is planned in such a manner so that every bit of information pertaining to different aspect of consumer satisfaction in Indian FMCG industry has been collected. The following techniques have been used in data collection for the research work-

6.1 Secondary Data:

The secondary data has been tapped to know insight about the Indian FMCG sector and various consumer satisfaction practices world-over. The secondary data necessary for the present research work especially for the theoretical analysis has been gathered by the review of past literature and the statistical information is collected by personal visit to -

- Associated Chambers of Commerce and Industry, Kolhapur,
- Govt. offices, Kolhapur and Belgaum,
- Barr. BalasahebKhardekar Library, Shivaji University, Kolhapur,
- Jaikar Library, University of Pune, Pune,
- Various Management Institutes and various other Libraries,
- Different websites.

Primary Data:

Primary data is collected through –

(a) Discussion and Interview:

The researcher had a number of detailed discussions with the consumer, customer, company executives, retailer and other associated members. The interviews were unstructured and open ended questions were asked to gather the information.

(b) Structured Questionnaire:

In order to elicit relevant data from the respondents the researcher has prepared the structured questionnaire in three parts: **Part I** of the questionnaire is concerned with brief introduction to Profile of the consumers, **Part II** encompasses the Pre-purchase behaviour of consumers and **Part III** contains the statements related to consumer satisfaction with Five point LikertScale ratings were used as under **Strongly Agree** to **Strongly Disagree** with maximum rating of 5 and minimum rating of 1 with equal interval scale of 1.

After the pilot study, the researcher has more emphasized on Profile, Preference and Buying habits, Awareness, Factors that influence purchase and satisfaction, Buying influencer and Buying Decision process, Product and product attributes, Price and Distribution, Ads and Promotion, Branding and Packaging, Retailer and Sales Staff while obtaining data from the respondent.

SAMPLE AREA

Different places, regions, states, nations differ in their geographical locational set-up, climatic conditions, culture, social, economic conditions, education system, industrial atmosphere, population etc. These regional variances influence the language, festivals, social functions, customs and living styles of the people that in turn directly or indirectly influences their day to day requirement of consumable, production of these consumables, demand and supply of these consumables in the market consequently the buying pattern of consumers and ultimately the consumer satisfaction.
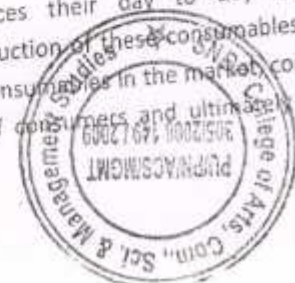
The researcher has taken into consideration these regional variances before proceeding to the selection of sample study area and accordingly determined to select such two regions which represent aforestated variances.

To study the research subject and the researcher selected the fast growing boundary regions namely Kolhapur district from Maharashtra State and Belgaum district from Karnataka State. These two districts from two different states, by virtue of their geographical location, happen to be very close neighbor district. The study area of the research is shown in the above Map.
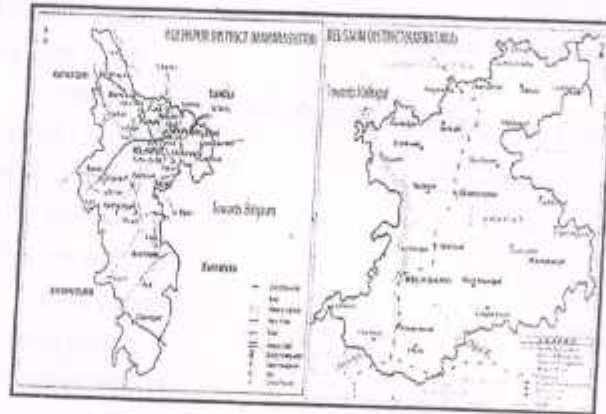
SAMPLE SIZE

> After determining the study area, the researcher has selected five sample talukas from each district on the basis of talukas, and nearest location of talukas to boundary.

> The researcher has adopted the purposive quota sampling method for the selection of the stores and selected nine stores from each district. These stores were selected on the basis of –

- Year of Establishment (Minimum 5 years).

- Turnover of the store (Monthly ₹ 1,00,000/-).

- Average number of visitors in week to store (Minimum 500).

> By following the simple random sampling, the researcher has selected 60 Customers (Consumers) as sample respondents from each store. These customers invariably are considered consumer.

Thus the total 1080 respondents (540 from Kolhapur and 540 from Belgaum) are surveyed. This is depicted in the table shown below:

Sampling Plan

State	Maharashtra	Karnataka
No. of Sample District	1	1
No. of Sample Talukas	5	5
No. of sample Dept. Store	9	9
No. of Customer	60	60
Total Respondents	540	540

DATA ANALYSIS AND INTERPRETATION

The historiographic data was interpreted through an intellectual work-out prepared with the help of theoretical material. The findings arrived at from this work-out are presented separately.

The primary data collected from the sample of 1080 respondents was processed with the aid of computer. Similarly Statistical analysis of the data was done with computer assistance.

LEVEL OF RESEARCH

Although the prima facie nature of the present research appears to be that of a 'diagnostic-descriptive' analysis and investigation, it is the maiden venture in the research area to study the consumer satisfaction from the consumer and marketing perspectives. The overall nature of the present research has been maintained at the 'formulative-exploratory' level; with the scope that the findings returned on anlaysing the empirical data under this work would be responsive enough to bring forth promising hypotheses for ensuing researchers.

SCOPE OF THE STUDY

The geographical scope of the present study is confined to two fast-growing, and revenue district of Maharashtra and Karnataka namely, Kolhapur and Belgaum. Both the districts have long historical base along agriculture with industrialization.
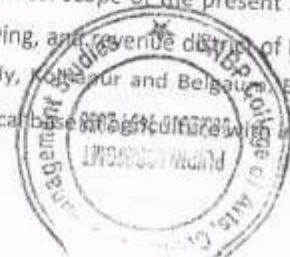
The topical scope of the study is as depicted below. The present study mainly concerns with consumer and fast moving consumer goods in Kolhapur and Belgaum district. While consuming any product consumer focuses on the following -

1. Pre-purchase evaluation (need recognisation, information search, and alternative solutions). This is called 'the buying behaviour'.

2. Post-purchase evaluation (satisfaction or dissatisfaction)

This in turn gives rise to two different approaches to management:

i) Satisfaction towards Product

ii) Satisfaction towards the supported marketing activities.

There can be a long list of FMCG, however FMCG frequently used for consumption have been categorized under Household care, Personal care and Food and Beverages, and are included in the present study, with a view to focus on the pre-purchase and post-purchase behaviour.

The analytical scope of the present study provides the fulfillment of the objectives of the study.

OPERATIONAL VALIDITY OF THE STUDY

The Phenomenon of FMCG expressed in the introductory paragraph of this chapter requires an in-depth study towards knowing the changes that come in the customer's preferences, movement of market and the changing satisfaction level of consumer.

The term 'consumer' refers to the behaviour that consumer display in searching for, purchasing, using, evaluating and disposing of products and services that they expect, will satisfy their needs. Consumers are highly complex individuals, subject to a variety of psychological and sociological needs, apart from their survival needs. Needs and priorities of different consumers segments differ drastically. In modern market consumers are more active and conscious. Previously, company only manufactured the goods and sold it. But, today, the customer or consumer demanded something more and according to that the company manufactures the goods.

The most important thing is the changing level of the consumer behaviour and their satisfaction at every step. The present study will be of great help to such companies from the point of view of improving the performance and efficiency of the company in market.

In the present study, with reference to consumer satisfaction towards fast moving consumer goods functioning in the Kolhapur and Belgaum District, the researchers has made an attempt to gather all relevant and up-to-date information regarding the satisfaction toward the fast moving consumer goods. The researcher made an attempt to study the factors changing the level of satisfaction in two different districts, and collected the opinion of the middlemen and sales-force regarding the problem experienced by them in managing the consumer.

The presentation and analysis of the information is made especially with a view to identify the situation and to know the consequences which change the satisfaction level. The study thus conducted will prove useful to FMCG companies operating in Kolhapur and Belgaum district and in boundary region of the state as well as other manufacturing and services oriented companies in general.

Today's world is of Globalization. At international level, the condition of Indian economy is not very good, it is in developing stage. There is a rapid growth in the firms in India. The demand for goods/products in the post liberalization period has emerged as a very powerful stimulant to Indian economic development and the international capital flow. The Indian economy is poised to become the fourth largest in the world in the next two decades. The statistical record shows a steady growth for Indian industry in the decades.

However, the plan will materialize only when all the aspects go properly. For Indian/Foreign Company, there is a need to understand the consumer, their level of satisfaction and the market condition. If they properly satisfy the consumer, they have chance to spread the business at global level. This study will prove significant to the companies operating in India as well as abroad. Further, this study is equally helpful to the newly started and well established companies. It will also find a way out to design marketing strategy and segmentation of market in the light of consumer behaviour and satisfaction.

LIMITATION OF THE STUDY

The following may be presented as the limitations of the present study:

(i) The present study has included urban and rural areas in its geographical scope. The patio - temporal perception of the respondents in each of these areas differs widely and may have accordingly influenced their responses to the questionnaire.

(ii) Consumer satisfaction in FMCG is raising occurrence in India and its basic notions are still to reach in rural areas. This becomes evident while processing the data. The researcher found that few questions and statements about satisfaction have not been fully understood by the respondents. The findings of the study may, therefore, have to read against this milieu, wherever necessary.
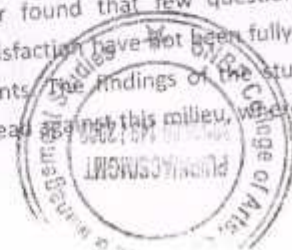
(iii) Under the present study, the respondents include both customer and consumer. This heterogeneity often increases a dichotomy between the perceptions of a particular aspect of satisfaction, creating negative or positive prejudice at the individual level. The questionnaire administered to the respondents was not constructed to measure the influence of these prejudice on the responses rendered.

CHAPTER SCHEME

This study is arranged into Seven Chapters as under:

Chapter - I : Introduction and Research Design:

In this chapter, a comprehensive discussion of the research topic, objectives and methodology complied in the present study, level of research, sources of data collection, sample design and operational validity of the study, etc. has been included.

Chapter - II : Review of Literature:

The researcher has evaluated various Magazines and Books of Indian and Foreign authors, Internet Articles, Published research papers of different National and International conferences related to Consumer behaviour, Consumer Satisfaction and FMCG, and Ph.D. Thesis on marketing.

Chapter - III : Marketing of FMCG and Consumer Satisfaction – An Overview:

In this chapter, the real theoretical groundwork has been developed from different core books of well known authors, especially from the Book of Indian and Foreign authors, from the websites related to consumer behaviour and satisfaction, FMCG, Marketing and from the articles of the experts on the subject and the same had been presented in the summarized form.

Chapter - IV : FMCG Sector in India – An Overlook:

The current scenario of the FMCG sector in India, the leading companies, career opportunities as well as the growth prospects have been covered in this chapter.

Chapter - V : Profile of the Study Area:

A geographical, socio-cultural, industrial and educational profile and specially profile of development of FMCGs in the Kolhapur and Belgaum districts have been offered in present chapter.

Chapter - VI : Data Analysis, Presentation and Interpretation:

Data collected from 1080 respondents and de stores of the Kolhapur and Belgaum District under the study have been analysed, presented and interpreted by using statistical

techniques - 'Percentile method, Mean, SD, Chi-square and 5-Point Likert type Scale'

Chapter - VII : Findings and Suggestions:

On the basis of chapter-VI, researcher has given suggestions that are useful to improve the level of satisfaction of consumer towards the FMCGs in Kolhapur and Belgaum district.

➢ Appendix
➢ Bibliography

FINDINGS AND SUGGESTIONS

• Findings:

On the basis of analysis and interpretation of the data, the researcher would like to put forth the few observations with respect to the various aspects related to:

• Socio-Economic Profile of Consumer.
• Pre-Purchase Behaviour of Consumer.
• Post Purchase Behaviour of Consumer.
• Socio-Economic Profile of Consumer:

➢ It is observed that most of the women are involved in buying of FMCG. The females have dominance role in buying of FMCG as compared to other family members of the family. This situation has been seen in both the boundary level regions with a notable higher proportion in Belgaum as compared to Kolhapur. (Table No. 6.1)

➢ It is found that most of the respondents who are involved proportionately high in shopping of FMCG for their family are from the age category 21 to 40 years. This situation has been seen in both district with higher percentage in Belgaum as compared Kolhapur. (Table No. 6.2)

➢ Majority of respondents from both district are well educated with Post graduation. The higher proportion of well educated respondents is found in Kolhapur as compared to those in Belgaum. (Table No. 6.3)

➢ It is seen that most of respondent's occupation is service (employee) and they are employed in Public sector in both district. However the higher portion of employees is observed in Kolhapur district and the sector wise analysis indicates that in Belgaum district the percentage of employees working in Public sector is higher. (Table No. 6.4 and 6.5)

• Pre Purchase Behaviour of Consumer:

❖ Conceptual Awareness towards FMCG:

➢ Majority of respondents are regular buyer of all type of FMCG and since last 3 years most of buyer consuming a specific brand of FMCG except Food and Beverages

product (Since last 1 year) in both district. (Table No. 6.11 and 6.12)

> Further it is noticed that in both district though they are regular buyers of FMCG, they are unaware with the exact nature and concept of FMCG.

(Table No. 6.10 and 6.10A)

❖ **Convenience for Shopping of FMCG:**

With regards to convenience for shopping the preference like shopping frequency, place, day, time slot, mode of payment and transport has been analysed in chapter 6 and the conclusion drawn here are as follows -

> It found that in both district the frequency of shopping of Food and Beverages is weekly and Personal care is fortnightly while Household care products purchase on monthly in Kolhapur and Fortnightly in Belgaum. (Table No. 6.13)

> It seen that the most of respondents are purchase all type of FMCG products from Grocessary in both boundary region. While testing of hypothesis it proves that the shopping place and type of FMCG are dependent in both districts. (Table No. 6.14 and 6.86)

> Most of the respondents prefer weekend for the shopping of FMCG. (Table No. 6.15)

> It is exhibited in both the district that majority of buyer prefer evening time slot for shopping of FMCG except Food and Beverages (convenient) in Belgaum and they spend 30 minutes to 60 minutes on shopping of each category of FMCG. (Table No. 6.16 and 6.17)

> It found that while buying all type of FMCG products majority of buyers use 'Cash' as mode of payment in both the districts. (Table No. 6.18)

> It revealed that for the transportation majority of respondents use two-wheeler in both district while shopping of FMCG. (Table No. 6.19)

❖ **Verification of Information prior to purchase FMCG:**

Today the consumers are well educated and are more conscious while buying the products. They search and assess the information about the product, and while buying the products, verify the said information with the product. The empirical data is analysed and tested through the hypothesis and drawn the following conclusions -

> It seen that a large number of respondents get sufficient information easily of branded FMCG as compared to unbranded in both the districts. However

the proportion is very high in Kolhapur district. (Table No. 6.34 and 6.35)

> It is observed that a most of the respondents verify and assess the information of product while buying of Personal care and Food and Beverages products as compared to Household care products in both the districts. (Table No. 6.27)

> It seen that a large number of respondents in all category of FMCG verify the Label and Price printed on product in both district. (Table No. 6.27)

> It found that majority of the respondents verify the packaging of the FMCG while shopping of Personal care and Food and Beverages products as compared to Household care products in both district. (Table No. 6.27)

> While shopping of Food and Beverages and Personal care products most of the respondent's emphases on ingredient of the product, side panel information, date of manufacturing and expiry and smell of product. (Table No. 6.27)

> Most of the respondent's emphasis less on quantity printed on product, flvaour, freshness, and warranty and Guarantee of FMCG products. (Table No. 6.27)

> It also revealed that the testing of hypotheses proves that the respondents verify the label, packaging, ingredients and price printed on product whereas they do not verify the quantity printed on FMCG product. (Table No. 6.88 to 6.92).

• **Post Purchase Behaviour of Consumer:**

❖ **Satisfaction towards Products:**

Customer benefits and buying motives are closely connected with each other. Value orientation and product level up-gradation are thus closely linked. Value addition is the end purpose, identifying the attributes to be provide, incorporating them in the product, and differentiating the product in market. Thus 19 statements (Sr.No.19 to 23 and 25 to 38), 9 dimensions of significant varieties (Sr.No.24) and 12 attributes of products (Sr.No.39) are identified and analysed and following conclusions are drawn -

> In the light of consumer satisfaction towards product with regard to Household care category, it is observed that the satisfaction level in Kolhapur district is at 'Good' scale among 11 statements, 4 dimensions of significant varieties and 7 product attributes. While in Belgaum district the level of satisfaction is at 'Good' scale among
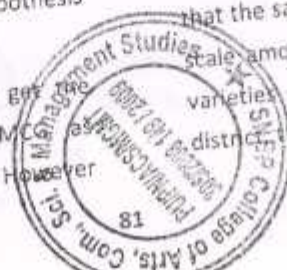
7 statements, 5 dimensions of significant varieties and 5 product attributes.

From the above discussion it is noticed that in both district, not a single statement, dimension of significant varieties and product attribute exhibited 'Excellent' scale. However the overall satisfaction level towards Household care product is higher in Kolhapur district as compared to Belgaum district. (Table No. 6.43)

➤ With regard to **Personal care** category, it is found that the satisfaction level in Kolhapur district is at 'Excellent' scale among 2 statements and 2 dimensions of significant varieties whereas at 'Good' scale among 12 statements, 6 dimensions and 10 product attributes. Contrary in Belgaum district, the level of satisfaction is at 'Good' scale among 7 dimensions of significant varieties and 9 statements and product attributes each. There is no single statement, product attributes or dimensions of significant varieties exhibited 'Excellent' scale in Belgaum district. However the level of satisfaction is towards the Personal care products is higher in Kolhapur. (Table No. 6.53)

➤ As far as **Food and Beverages** category, it is seen that the satisfaction level towards products in Kolhapur district is at 'Excellent' scale among 3 dimensions of significant varieties, and 1 statement and product attributes each, whereas at 'Good' scale among 14 statements, 9 dimensions and 10 product attributes. Contrary in Belgaum, among all statements, dimensions and product attributes under study no any statement, dimension or attributes exhibited 'Excellent' scale. It clear that the satisfaction level towards product in Food and Beverages category is higher in Kolhapur district as compared to Belgaum district. (Table No. 6.63)

➤ However the overall satisfaction level towards the statements, dimensions of significant varieties, and product attributes with regard to FMCG is higher in Kolhapur district as compared to Belgaum district. (Table No. 6.73, 6.74 and 6.75).

❖ **Satisfaction towards Price:**

To evaluate the satisfaction level towards price, 11 statements (Sr.No.47 to 51 and Sr.No.54 to 59), and 13 attributes (Sr.No.52 and 53) are determined and analysed and following observations are drawn-

➤ With regard to **Household care** products, it is observed that the satisfaction level towards price is at 'Good' scale

among only 1 statement and 5 attributes in Kolhapur whereas in Belgaum, it is among 2 statements and 5 attributes.

(Table No. 6.45)

➤ With regard to **Personal care** products, it revealed that the satisfaction level is at 'Good' scale among 2 statements and 11 attributes in Kolhapur whereas in Belgaum, it is among 1 statement and attribute each. (Table No. 6.55)

➤ With respect to **Food and Beverages** products, it is seen that the satisfaction level is at 'Good' scale among 2 statements and 10 attributes whereas among 1 statement and 8 attributes in Belgaum district. (Table No. 6.65)

➤ There is no single statement or attribute exhibite 'Excellent' scale among all category of FMCG in both district. (Table No. 6.45, 6.55 and 6.65)

➤ With respect to consumer satisfaction towards price with regard to FMCG, it is noticed that the satisfaction level towards the reasonable price as compared to product attributes is at 'Good' scale in Kolhapur whereas at 'Average' scale in Belgaum. While in statements related to price is at 'Average' scale in both districts. (Table No. 6.77 and 6.78)
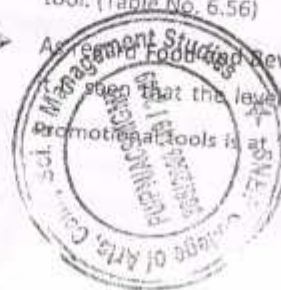
❖ **Satisfaction towards Advertisement and Promotion**

With view to evaluating the level of satisfaction towards Advertisement and Promotion with regard to FMCG, total 11 statements (Sr.No.60 to 69 and 71) and 9 sales promotion tools (Sr.No.70) are identified and analysed and the followin conclusions are drawn –

➤ With regard to **Household** care category, it is observed that the satisfaction level towards ads and promotional tools is at 'Good' scale among 4 statements and 3 promotional tools whereas in Belgaum district, it is among 7 statements and 1 promotional tool. (Table No. 6.46)

➤ As far as **Personal** care category, it is seen that the satisfaction level towards ads and promotional tools is at 'Good' scale among only 9 statements whereas not single promotional tool exhibited 'Excellent or good' scale. While in Belgaum district, the satisfaction level is at 'Good' scale among 4 statements and only 1 promotional tool. (Table No. 6.56)

➤ As far as Food and Beverages category in both districts, it is seen that the level of satisfaction towards Ads and Promotional tools is at 'Good' scale among 9 statements

and 3 promotional tools whereas in Belgaum it is exhibited only in 3 statements. (Table No. 6.76)

➢ There is no a single statement or promotional tool exhibited 'Excellent' scale in all category of FMCG in both district. However the level of satisfaction towards the advertisement and Promotional tools with regard to FMCG is 'Average' in both districts. (Table No. 6.79 and 6.80)

❖ **Satisfaction towards Overall Performance:**

To measure the consumer satisfaction towards overall performance with regard to FMCG, 11 parameters (Sr.No.106) and 2 statements (Sr.No.107 and 108) related to satisfaction and performance were identified. On the basis of these statements, the following observations are drawn-

➢ With regard to Household care category, the satisfaction level towards the overall performance is at 'Good' among 10 parameters and 2 statements in Kolhapur district where as it is among 6 parameters and 2 statements whereas it is near to Good in Belgaum district. (Table No. 6.50)

➢ As regard to Personal care category, it is revealed that the satisfaction level towards overall performance of 10 parameters and 2 statements each is at 'Good' scale in both districts. (Table No. 6.60)

➢ With regard to Food and Beverages products, the satisfaction level towards the overall performance is at 'Good' among all parameters and statements in Kolhapur district whereas in Belgaum district it is among 9 parameters and 2 statements. (Table No. 6.70)

➢ However the satisfaction towards overall performance of FMCG is at 'Good' scale in both districts. (Table No. 6.84)

❖ **Satisfaction towards FMCG:**

The analysis of measuring the satisfaction towards FMCG, it is observed that –

➢ The satisfaction level towards the Household care category in both districts is near to 'Good' scale, and there is no much difference in the satisfaction level of respondents.

➢ The satisfaction level towards the Personal care category in Kolhapur district is at 'Good' scale whereas near to 'Good' scale in Belgaum district. However the level of satisfaction is better in Kolhapur district as compared to Belgaum district.

➢ The satisfaction level toward Food and Beverages in both the district is at 'Good' scale. However the satisfaction level is greater in Kolhapur as compared to Belgaum.

➢ The satisfaction level towards FMCG (Aggregate of all category is at 'Good' scale in Kolhapur district whereas it is near to 'Good' scale in Belgaum district. (Table No 6.85).

• **Suggestions:**

In view of the aforestated scenario of both regions, the researcher is made an attempt to put forth the constructive suggestions with a view to:

- Prepare the prior purchase mid-setup of consumer.
- Frame the strategies towards how to retain consumers on the basis of post purchase behaviour of consumers.

❖ **Communication and awareness programme:**

➢ Region wise specific consumer profiles should be developed to understand the consumer and their characteristics to identify the target market.

➢ Consumer shopping behaviour should not be without guidance. The consumers should insist on information with regard to product, price, quality, quantity etc. They should not purchase inferior quality goods.

➢ As it is found that the awareness towards the conceptual knowledge of FMCG and its category is poor, it is necessity that the FMCG companies should focus on awareness and run the awareness companion on different level towards the conceptual knowledge of FMCG which to companies to sale the product easily in market.

➢ There are two distinct segments in both districts that require different communication approaches. One set of villagers are less educated when compared to their city (Urban) counterparts. They can understand only local language, and they have their own method of identification of product and communicate with retailer. They do purchase branded packaged goods simply someone recommended the value associated with branded products. Contrary to this, there is other segment of consumers who are well educated, who read and pronounce easily the name or brand and they are also brand conscious and ask for brand.

The implication to marketer is that, they have to design a different communication approaches for these consumers who have less receptive capabilities. The villagers can understand the information slowly. They can process linear, logical, simplistic communication with beginning, ending and a sequence of events. In case of message rendering there is a need to use vernacular language which is dialect specific.

❖ **Product:**

➢ The product offered by the retailer should fit into the living standard of people. In respect of FMCG products quality, ingredients should to remain in product till the last usage of the product.

➢ The product attributes like size, design, quality, smell etc. should be developed in such a way to suit the consumer perception and contributes to attain the retailing goals.

➢ The brand names of the products sold in markets should be easy to pronounce and remember. Also assure the customer by providing him quality product, good service etc. which will aid to survive and stand in competitive market.

➢ The FMCG sold in these markets should be focused on pricing rather than brand building and positioning. Price is the criteria for purchase decisions, at it should be competitive one. The consumers are not guided by brands that have low functionality and high image. The buyers are still unwilling to pay for value additions.

➢ Low priced products will be more successful in these areas because of mind set of the consumer.

➢ Proper disclosure of the credit terms and rebate on prices ensure the confidence of on the part of retailer as well as consumers, and ultimately lead to buildup good customer-retailer relationship.

❖ **Promotion:**

➢ There is need to explore the local markets such as weekly bazaars, stalls, exhibitions etc. and improve them slowly with trust creating activities.

➢ Most of the consumers are unaware with the promotional schemes. So the marketer should create the awareness among consumers about the promotional schemes and activities, and insists to consumers that they demand it from the retailer.

➢ The consumer goods should be promoted through the product demonstration and samples.

➢ Marketer should focus on the local media of advertisements like cable T.V., radio, newspaper, digital banner, poster and wall painting wherever possible with

due permission of concerned owners of houses buildings.

❖ **Retailer:**

➢ The malpractices of the retailers are the great constraints in the development of markets. Retail should try to improve fair business practices. They shou be creating the reliance by providing value adde services like ample parking, decorative atmospher display of products, quick service etc. to consumer.

➢ The retailer being the ultimate person in the distribution channel, he should be properly encouraged by the manufacturer by providing him benefits in the form of discount, free samples coupons, gifts etc. The motivated retailer helps a lot to increase turnover of the products. Similarly it is also quite essential to give surprise visits to retail shops and take the cognizance of any malpractic if any on the part of retailer.

➢ The retailer should be focus on the complaints of consumer, lighting arrangement, display of product, and display of promotional schemes on board, the behaviour and proper dress sense of the staff which develops the image and motivated the consumer for buying in certain shop.

❖ **Other Marketing Aspects:**

➢ The FMCG companies that analyse and understand the needs and peculiarities of consumers have tested success. In the coming years, most of untapped markets will be accessible to MNC due to the information technology and this should open up new business opportunities to new FMCG firms which increase the competition in these markets. It indicates the increase mall culture and changing consumer shopping tren towards such types of stores.

➢ For the development of such markets a holistic approach aiming at removing all weak links of the marketing chain is essential, and also there is need to develop the marketing research programmes to develop an orderly and efficient marketing structure.

✳✳✳

In This Issue

Rural Management Review

INDEX

POST PURCHASE BEHAVIOUR & CONSUMER GOODS : AN EMPERICAL STUDY WITH REGARD FOOD & BEVERAGES

Dr. Sudhir Atwadakr
Associate Professor,
Institute of Business Management &
Research, Pune
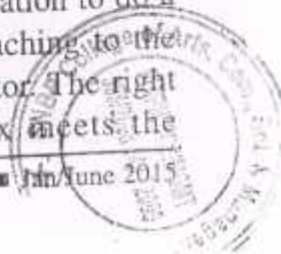Sudhir.atwadkar@gmail.com
M. 9860033688/08275001199.

ABSTRACT:
With the rapidly growing economy, rising disposable income, changing consumer expenditure pattern and upper shifting of class of number of families, the consumer products market is set to take a big leap. Rising per capita income, increased literacy and rapid urbanization have caused rapid growth and change in demand patterns of consumer. More than 300 million people has shift to processed and packaged food. India needs more investment in the food-processing and beverage industry. Consumer's reactions to the marketing strategy determine the organisation success or failure. In the competitive environment, organisation can survive only by offering more value to customer. To provide superior value the organisations require doing a better job of anticipating and reaching to the customer needs than the competitor. The right combination of marketing mix meets the customer expectations and provides superior value. The purpose of this paper is to carryout in depth study of post purchase behavior i.e. satisfaction in relation to marketing mix which influence the consumer satisfaction.

Key words: Consumer, Value, Satisfaction, Marketing mix, Strategy.

1. INTRODUCTION:

From the beginning of the "customer service revolution" almost 30 years ago, a body of business research has focused on customer satisfaction. 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. The definition of customer satisfaction has been widely debated as organizations increasingly attempt to measure it. It can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. It is based on the customer's experience of both contacts with the organization and personal outcomes. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these.Marketer takes the efforts to make their customers delight and see customer satisfaction as the key to survival and profit. Marketers monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue. profits, market share and survival.By providing superior value require the organisation to do a better job of anticipating and reaching to the customer needs than the competitor. The right combination of marketing mix meets the

customer expectations and provides customer value.

With a population of more than 1 billon people, India is an important market for FMCG players. During 1950's to 1980's, there was low investment in the sector as the purchasing power was low. The existing companies were purely focused on the urban areas. However, post liberalization the scenario has changed with marking the entry of the MNCs into the country and the focus shifted from the urban to the rural areas. Also, the government had put a lot of emphasis on the development of the small-scale sector. With the rapidly growing economy, rising disposable income, changing consumer expenditure pattern and upper shifting of class of number of families, the Indian consumer market is set to take a big leap. The rising aspiration levels, increase in spending power has led to a change in the consumption pattern. This would unleash a latent demand with more money and a new mindset. With growing incomes, the consumer goods market potential is expected to expand further. Fast Moving Consumer Goods (FMCG) goods are popularly named as consumer packaged goods. Items in this category include all consumables people buy at regular intervals. In India, FMCG sector consists of three product categories each with its own hosts of products that have relatively quick turnover and low costs: Household Care, Personal Care and Food & Beverage.

Within the FMCG sector, the Indian food processing industry represented tremendous growth. According to the Ministry of Food Processing, the size of the Indian food processing industry is more than US$ 100 billion including US$ 30 billion of value added products. The size of the semi-processed/ready to eat food segment is over US$ 5 billion. Large biscuits & confectionery units, processing units and glucose producing units have also come up, catering to domestic and international markets. The Indian beverage industry faces over supply in segments like coffee and tea. Indian hot beverage market is a tea dominant market. Consumers in different parts of the country have heterogeneous tastes. The total soft drink market is at 400 million crates a year. The market is highly seasonal in nature with consumption of soft drink. The market is predominantly urban with 25% contribution from rural areas. More than 300 million people were shift to process and packaged food upto 2011. India needs more investment in the food-processing industry.

The basic belief of any FMCG oriented company is that the customer is soul and the hub around which the business revolves. Therefore, understanding what makes customer in general buy and what makes your customer in particular buy is a vital part of business success. It means in ever changing market environment, there is a growing concern or awareness among marketer to go for careful study of the consumer around which all marketing activities are made. Consumer's reactions to the marketing strategy determine the organisation success or failure. In the competitive environment organisation can survive only by offering more customer value.

This article attempts to study the problemsoccurring in consumer satisfaction in relation to marketing mix, on the basis of which required level of consumer satisfaction being affected in Food & Beverages products in Kolhapur district. The various problems are lack of product flexibility and features, be deficient in price flexibility, lack of promotional activities and information, problem faced by consumer in availability of goods, conduct of retailer and sales people towards customer and malpractices.

1.1.Research Objectives:

i) To study the impact role of product in relation to consumer satisfaction.

ii) To study the price sensitivity in relation to consumer satisfaction.

iii) To observe the promotional activities in relation to consumer satisfaction.

iv) To study the role of place in consumer satisfaction.

v) To evaluate the impact of physical evidence, people and process on consumer satisfaction.

1.2. Research Hypothesis:

Having decided the research objectives, the following research hypothesis emerges:

i) There is significant relation between product and consumer satisfaction.

ii) There is association between the price and consumer satisfaction.

iii) The promotional activity influences the level of consumer satisfaction.

iv) The place influences the level of consumer satisfaction.

v) There is association between the physical evidence and consumer satisfaction.

vi) There is correlation between people and consumer satisfaction.

vii) There is significant relation between process and consumer satisfaction.

1.3. Theoretical Framework (Model) of The Study:

As Henry Ford has rightly said, "If there is any secret of success, it lies in the ability to get the other persons point of view and see things from his angle." Every marketer today is engaged in working towards satisfying every consumer for; they have realized that, while marketing is a core element of management philosophy, its success lies in focusing more on satisfying the needs of their customer.

In the present situation of the marketing practices, the study of consumer pre and post purchase behavior i.e. consumer satisfaction is an effective instrument to improve the success and performance of any organisation. To improve the level of satisfaction of consumer and develop the various strategies, a theoretical framework (Model) has been designed based on the following variables.

Independent Variables	Dependent Variables
Product	
Price	
Place	Satisfaction
Promotion	
Physical Evidence	
People	
Process	

Consumer Satisfaction & 7Ps :

The companies are using various combinations of Seven Ps i.e. marketing mix to add value to the final product which will reach the hands and satisfy to consumer.

i) Product :

Can be anything offered to market for attention, acquisition, use and consumption that might satisfy a need or want. It is key element in the overall market offering. Marketing mix planning begins with formulating an offer that brings value to the customers. This offering become the basis upon which the companies satisfy and builds profitable relationship with customer. Today, as products become more commoditized, many organisations are moving to a new level in creating customer value for their customers. To differentiate their offers, beyond simply making products and delivering services, they are creating value and managing customer experiences with their product.

ii) Price :

It is the amount of money charged for a product. It is also consider as the sum of the values that consumer exchange for the benefits of having or using the product. Historically, price has been the major factor affecting buyer choice. In recent days non-price factors have gained increase importance. Price is the only element in the marketing mix that produces revenue, all other elements represents costs. Some of organisations view pricing as a big headache and do not handle pricing well. The organisations are too quick to reduce prices in order to get a sale rather than convincing buyer that their products greater value is worth a higher price. Reducing price unnecessarily can lead to lost profit and damaging price war. The smart organisations treat pricing as a key strategic tool for creating and capturing customer value.

iii) Place :

A set of interdependent organisations that help make a product available for use and consumption by consumer or user. Few producers sell their goods directly to the final user. Instead, most of use intermediaries to bring

their products to market. From the economic systems point of view, the role of marketing intermediaries is to transform the assortments of product made by producers into the assortments wanted by consumers. The making products available to consumers, channel members add value by bridging the major time, place and possession gap that separate goods from those who would use them. Marketing channel decisions directly affect every other marketing decision, and increase cost. An individual firm's success depends not only on how well it performs, but also on well its entire supply chain and marketing channel competes with competitors' channel. In contrast many organisations have used imaginative distribution system to gain a competitive advantage.

iv) Promotion :

Promotion is not a single tool but rather a mix of several tools. Under the concept of integrated marketing communication, the company should carefully coordinate these promotion elements to deliver a clear, consistent and compelling message about organization and its product. All of their communications must be planned and blended into carefully integrated marketing communication programs. Just as good communication is important in building and maintaining any kind of relationship. It is crucial element in organizations' efforts to build profitable customer relationship.Building good customer relationships not only cause developing a good product, attractive pricing, making it available but also communicate their value propositions to customers. Organisations need to do more than just create customer value. They must also use promotion to clearly and persuasively communicate that value.

v) People :

It is considering all the members who participating in creation of product to delivering it to consumer, including organisations employees, intermeditories, sales persons etc. The organisations members have play an important role to deliver satisfactory services to customer. The member of organisation should be developed to deliver the quality dimensions i.e. reliability, assurance and responsiveness. People should be considered as most useful manpower available to any organisation and effective utilization can directly improve organisations performance, in term of revenue, profitability and above all customer satisfaction.
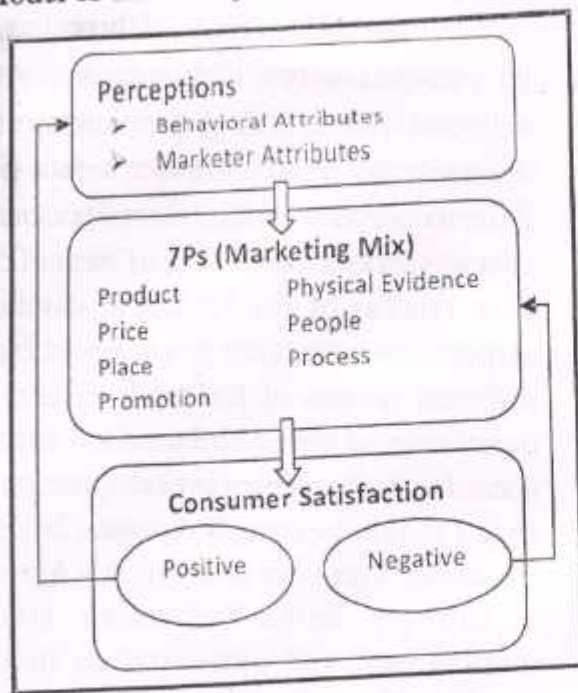
vi) Physical Evidence :

Physical evidence in its many forms will help the potential customer to evaluate the product offering. Often customer evaluates the product on physical evidence before it purchase. The customer overall judgment of quality of product can be an evaluation of both the process and the outcome compared with the customers own expectations and desired benefits. Consumer impression of quality will always be subjective and based on their individual perception of the physical evidence and other elements of the product offering. Physical evidence play important role in enhancing customer's perception.

vii) Process :

Process is the way of undertaking transactions, supplying information and providing serves on a way which is acceptable to the consumer and effective to the organisation. In organisations, the system by which customer receive, delivery response constitutes the process. Though the consumer remain the part of the product delivery throughout, but his or her involvement from pre to post consumption stage is not commonly practiced. Introducing a real beneficial process, which needs to be a systematic understanding the customers wants and patterns of behavior. While designing a process, the designer has to maintain a balance between functionality, security, aesthetics and ease of use by customer. The process of adding value or utility to system input and to create outputs which are useful for the customers.

Model of The Study:

```
┌─────────────────────────────────────┐
│  ┌───────────────────────────────┐  │
│  │ Perceptions                   │  │
│  │   ➤ Behavioral Attributes     │  │
│  │   ➤ Marketer Attributes       │  │
│  └───────────────────────────────┘  │
│              ⬇                       │
│  ┌───────────────────────────────┐  │
│  │ 7Ps (Marketing Mix)           │  │
│  │ Product      Physical Evidence│  │
│  │ Price        People           │  │
│  │ Place        Process          │  │
│  │ Promotion                     │  │
│  └───────────────────────────────┘  │
│              ⬇                       │
│  ┌───────────────────────────────┐  │
│  │   Consumer Satisfaction       │  │
│  │   ( Positive )  ( Negative )  │  │
│  └───────────────────────────────┘  │
└─────────────────────────────────────┘
```

2. LITERATURE REVIEW:

A Review of Literature is important and helpful as a background for the research work undertaken. A summarized literature review is as follows:-

In recent days consumer in India is at the point where there is a multiplicative effect of income growth aspiration to consume and change consumption friendly ideology. In the view of the above Chairman, Federation of Indian Chamber of Commerce & Industry(FICCI) has stated that the rural markets have been a vital source of growth for most companies. He reveals that despite the hurdles that the rural economy presents, corporate-rural partnership can overcome these and bring about positive results for both the entities. Partnership needs to extend beyond agribusiness (Jiwarjka, 2004). The Indian rural market with its changing business environment and demand offers a huge opportunity for investment. So the companies modify their strategies with the structural change in organisation. The Fast moving consumer goods (FMCG) companies are implemented organisational structures designed to integrate retailer-focused sales and brand-focused marketing departments.(Dewsnap & Jobber 2003).

According National Council for Applied Economic Research (NCAER), the income of the average villager is rising. Recession is hardly possible in rural India. Also, rural education levels are rising because the efforts to the states. The rural markets remain untapped because of three D's: distance, diversity and dispersion. Babaria & Dharod (2009) observed that people are becoming conscious about health and hygienic. There is a change in the mind set of the Consumer and now looking at "Money for Value" rather than "Value for Money". Consumers are switching from economy to premium product. Because of changing lifestyles, rising disposable income and such factors, the willingness has been seen in consumers to move to evolved products/brands. The most important thing to tap such markets is the changing level of the consumer behaviour and their satisfaction at every step. 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 & Bitner 1992). Customer delight is as the capacity to provide the satisfaction with experience that transcends normal standards of quality service(Lynch 1993). But as point out by Anderson (1994), customer satisfaction is an indicator to product or service, offered during the purchase and repeat purchase period. It is largely influenced by perceived value of the product or service that the customer experiences while purchasing and consuming product or service.

3. 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.

3.1. Research Design:

In this study, the Exploratory Research Method was adopted to ascertain the impact of independent variables i.e. 7Ps on satisfaction of consumer in order to achieve required level of satisfaction in the Food & Beverages.

3.2. Population of The Study:

This study aimed to find out the problems of consumer due to which their satisfaction level is being affected in Food & Beverages. In this study, the population consists of all the customers & consumers who is purchasing and consuming the Food & Beverages products in Kolhapur district.

3.3. Sample Techniques :

For this research Probability Sampling technique has adopted in which Multi-stage sampling method was used. On the basis of higher population, Five taluka places was selected to choose the samples from the district. These taluka places are Kagal, Karveer, Ichalkarangi, Gadhinglaj and Jaysingpur. By using simple random sampling, 108 homes were selected as sample from each taluka place, and fill-up the questionnaire.

3.4. Sample size :

Five taluka places and 108 homes from each taluka place were considered as sample. 108 homes were selected from maximum density of homes located near to market. So the sample size of the study was consisting of 540 homes from Kolhapur district.

3.5. Research Tools & Instruments :

The research instrument for the present study was questionnaire and through the data was collected. A questionnaire consists of a set of questions asked in questionnaire to the respondents and answers are recorded by researcher in a face to face situation. 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.

4. RESULTS ON DATA ANALYSIS:

The main purpose of this is to carry out the statistical analysis of primary data which was collected with the help of questionnaire form by the researcher himself in a face to face situation. All respondents were interviewed personally. The data was collected from various areas of different Five talukas of the Kolhapur district. 540 respondents were taken as a sampled from Five different talukas of Kolhapur district whom questionnaires were distributed and interviewed accordingly. Responses to each question ranges from 1 to 5 i.e. 1= strongly disagree, 2= Disagree, 3 = neither agree nor disagree, 4 = Agree and 5 = strongly agree indicating consumer involvement and participation in buying activities. The collected primary data has been analyzed detailed in term of presentation of results, tabulation and analysis of statistics and correlation analysis and testing of hypothesis.

4.1. 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 93.5 percent which was collected through independent and dependent variables.

Reliability Statistics

Cronbach's Alpha	N of Items
.935	53
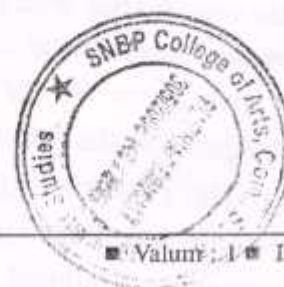
Correlation analysis dictates following:

Correlations

		Product	Price	Place	Promotion	Physical Evidence	People	Process	Satisfaction
Product	Pearson Correlation	1	.350	.511**	.739**	.641**	.565**	.692**	.701**
	Sig. (2-tailed)		.086	.004	.000	.000	.000	.000	.000
	N	540	540	540	540	540	540	540	540
Price	Pearson Correlation	.350	1	.002	.636**	.523**	.410*	.631**	.512
	Sig. (2-tailed)	.086		.991	.001	.007	.042	.001	.228
	N	540	540	540	540	540	540	540	540
Place	Pearson Correlation	.511**	.002	1	.562**	.574**	.642**	.349	.700**
	Sig. (2-tailed)	.004	.991		.001	.001	.000	.059	.000
	N	540	540	540	540	540	540	540	540
Promotion	Pearson Correlation	.739**	.636**	.562**	1	.862**	.628**	.788**	.742**
	Sig. (2-tailed)	.000	.001	.001		.000	.000	.000	.000
	N	540	540	540	540	540	540	540	540
Physical Evidence	Pearson Correlation	.641**	.523**	.574**	.862**	1	.595**	.699**	.620**
	Sig. (2-tailed)	.000	.007	.001	.000		.000	.000	.000
	N	540	540	540	540	540	540	540	540
People	Pearson Correlation	.565**	.410*	.642**	.628**	.595**	1	.738**	.643**
	Sig. (2-tailed)	.000	.042	.000	.000	.000		.000	.000
	N	540	540	540	540	540	540	540	540
Process	Pearson Correlation	.692**	.631**	.349	.788**	.699**	.738**	1	.807**
	Sig. (2-tailed)	.000	.001	.059	.000	.000	.000		.000
	N	540	540	540	540	540	540	540	540
Satisfaction	Pearson Correlation	.701**	.512	.700**	.742**	.620**	.643**	.807**	1
	Sig. (2-tailed)	.000	.228	.000	.000	.000	.000	.000	
	N	540	540	540	540	540	540	540	540

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

? Satisfaction and process has very strong relationship as indicated by 80.7% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

? There is strong association of satisfaction and promotion by 74.2 % 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 product by 70.1% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

? Satisfaction and place has strong relationship by 70% which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

? Satisfaction and people have relationship by 64.3% which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

? The association has been observed between satisfaction and physical evidence by 62 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

? There is average association of satisfaction and price by 51.2 % which have proved to be significant at 1 percent level of significance based on 2 tailed tests

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	17.52223	.036	6.298	1	21	.020	2.393

a. Predictors: (Constant): Product, Price, Place, Promotion, Physical Evidence, People, Process
b. Dependent Variable: Satisfaction

Through Regression analysis total 86.2 percent Satisfaction of consumer depends upon the independent variables i.e. product, price, place, promotion, physical evidence, people, process.

4.2. Testing of Hypothesis:

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
Product	.030	.103	.390	.288	.777
Price	.323	.163	.269	1.984	.064
Place	.406	.127	.522	3.194	.005
Promotion	.336	.190	.330	1.773	.094
Physical Evidence	.270	.114	.365	2.375	.030
People	.220	.172	.196	1.278	.218
Process	.992	.151	.901	6.551	.000

a. Dependent Variable: Satisfaction

Hypothesis # 1: There is a significant relation between product and consumer satisfaction.

Product has significant relation with consumer satisfaction by 39% if comprehensive product range, consistent quality, freshness of product, replacement, convenient packaging are to be monitored. The analysis shows that Hypothesis # 1 stands true.

Hypothesis # 2: There is association between the price and consumer satisfaction.

Price influences overall satisfaction of consumer by 26.9% if offer cheapest price, no variation in printed price and actual price, price is reasonable in relation to benefits and quality, difference in price of branded and unbranded product are to be facilitated by the supplier of FMCG. The result shows that Hypothesis # 2 holds true.

Hypothesis # 3: The place influences the level of consumer satisfaction.

Place strongly influence the consumer satisfaction by 52.2% if convenient stores location and hours, availability of product, storage facility, order processing & cycle, home delivery conveniences are to be given by the marketer and seller of Food & Beverages products. The result shows that Hypothesis # 3 holds true.

Hypothesis # 4: The promotional activity influences the level of consumer satisfaction.

Promotion has strong impact on satisfaction of consumer by 33% if an ads campaign, motivations, display, sales promotion tools, trustworthy in schemes is to be ensured by the marketer. This result shows that Hypothesis # 4 stands true.

Hypothesis # 5: There is no association between physical evidence and consumer satisfaction.

Physical evidences and consumer satisfaction have strong association by 36.5% if suit for changing preferences, improve standard
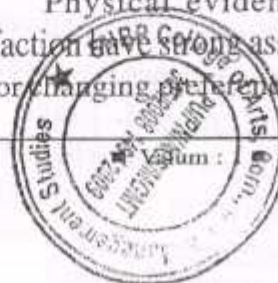
of living, involvement in purchase and awareness ensured. The result shows that Hypothesis # 5 holds true.

Hypothesis # 6: There is correlation between people and consumer satisfaction.

People and consumer satisfaction shows average correlation by 19.62% if customer interaction with person, customer respect, service by retailer and outcome of complaint are to be considered in Food & Beverages products. The result shows that Hypothesis # 6 holds true.

Hypothesis # 7: There is significant relation between process and consumer satisfaction.

Process has strongly relation with consumer satisfaction by 90.1% if product modification, pricing trends, availability and information of promotional schemes, enhance state of existing life and offering value to customer are to be given by the seller of Food & Beverages products. The result shows that Hypothesis # 7 holds true.

5. DISCUSSION AND FINDINGS:

After collecting the data, getting interviews from respondents and analysis of data, the following observations have been found -

♦ It is found that there are two different segments that require different communication approach. One who is stays in cities or touch with cities, well educated, occupying service 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.

♦ It has been generally found that product offer a bundle benefit which fulfill the needs and wants of the consumer. If the level of fulfillment is up to expectations they are satisfy and it exceed the customers are delight. More than 60% of the respondents satisfied with the comprehensive range of products in Food & Beverages. 30% of the respondents feel that there is consistency in quality whereas 39% respondents think

there is no variation in quantity printed and actual. It also reveals that the freshness of Food and Beverages products is exceptional (59%). 43% respondent has agreed that there is convenient packaging for handling whereas 64% respondents feel that these packaging attracts the attention. Only 25% of respondents are strongly agreed and agree with the replacement facility in Food & Beverages.

Most of the organisations today face fierce and fast changing pricing environment. Price is only element that generates revenue. So pricing decisions can make or break the organisation. Only 24% respondents feel that supplier offers cheapest price. Very few respondents (25%) think that there is no variation in printed price and actual. 35% of respondents each were agree and disagree with the price is reasonable in relation with benefits. More than half of the respondents were agreeing that compare to quality the price is equitable. Half of the respondents were feels the price difference between branded and unbranded product is justifiable.

♦ It is found that 68% respondents were agreeing with the Food & Beverages stores located conveniently and the hours of these stores are convenient. 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. More than half of the respondents are happy with the storage facility. Only 27% respondents were agreeing with the home delivery of the Food & Beverages.

♦ Promotion is an important to device to the organisation 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 TV ads having more impact

than the print. 47% respondents have good experience with the attractive and fair product display. 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. in Food & Beverages.

♦ It is observed that near about half of respondents were thinks that the Food & Beverages products solving the problems, fulfilling the needs and improve the standard of living of respondents. It also reveals that these products suit the changing preferences. More than 75% respondents were agreeing with their involvement in buying Food & Beverage. 46% respondents were aware with the various brands of Food & Beverages. More than 60% respondents were feels that supplier of Food & Beverages have high standard of hygiene.

♦ The study reveals that sellers treat the respondents with respects and 53% respondents were agreeing with this. 42% respondents were get wide and qualitative information by sales persons and their response was reliable. The interaction (38%) and prompt service (49%) of sales person inspired to buy product. 32 % respondents get the fair outcome of the complaints.

♦ It is observed that more than half of respondents were thinks that Food & Beverages manufactures made regular product modification activities. The study shows the pricing systems were not balanced by these companies. 43% respondents were happy with the promotional process. 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. The study indicates that 44% respondents were thinks that the Food & Beverages

companies serve respondents by offering value and helps enhance state of existing life.

♦ The study reveals that of the respondents were happy with the Food & Beverages products (63%). It indicates that most of Food & Beverages companies focus on the product and its various attributes like the comprehensive range of product, consistency in quality and weight, freshness, attention on packaging. The satisfaction level towards the price (32%) is average. There is need to proper attention on the pricing strategies.

The study also indicates 61% respondents were satisfied with the distribution system. It indicates that Food & Beverages stores were convenient in term of location and shopping hour, regular availability of product, good storage facilities, and fair order processing cycle and time. 43% respondents were happy with the promotion which indicates the excellent ad campaigns, proper display of products and get the sales promotion schemes - discount, free goods, gifts etc.

♦ It is found that 49% respondents were satisfied with the people; it indicates respondents get the wide and qualitative information, motivating response and interaction, prompt services, fair outcome of complaint and respect to the respondents. 44% respondents were satisfied with the physical evidence, it shows that Food & Beverages products were solving the problems and fulfilling the needs, suit to changing preference, standard of hygiene, enhance standard of living and consumer involvement of the respondents. 51% respondents were satisfied with the process which represents the regular product modification, promotional activities, standard distribution system, courteous & cooperative behavior of personnel, offering value to customer which will them helps enhance state of exciting life.

6. LIMITATIONS & RECOMMENDATIONS:

6.1. Limitations :

The present study carried out with regard to Food & Beverages in Kolhapur district. While collecting data number of limitations faced by the researcher. The major limitations were lack of positive response of respondents, inferiority complex in respondents and time limit.

6.2. Recommendations :

In view of the aforestated scenario of region and the findings presented, an attempt is made to put forth the constructive suggestions with a view to:

- The companies take consumer research with some time interval which helps to them develop region wise specific consumer profiles, understand the consumer and their characteristics to identify the target market.
- Companies should be design a different communication approaches and choice of media for such areas where consumers who have less receptive capabilities. They can process linear, logical, simplistic communication with beginning, ending and a sequence of events. In case of message rendering there is a need to use vernacular language which is dialect specific.
- The brand names of the products sold in markets should be easy to pronounce and remember.
- The consumers are more conscious about the packaging and identify the products on the basis of packaging. So the marketer should focus on the attention attractive & burly handling packaging.
- The customers are price conscious. Therefore, the marketer should offer products which are affordable to villagers, and at competitive prices. Mostly low priced products will be more successful in these areas due to the mindset of the consumer.
- Organisation must take channel decision carefully, incorporating today's needs with tomorrow's likely selling environment. Village retailers play a vital role in the movement of products to remote areas. Village retailers are the most crucial channel members and therefore, marketers have to focus on them to market their product effectively.
- These markets are slowly gaining the changes in term of preferences, taste, habits. So the producer should keep constant watch on the physical distribution of product. If the distribution process will not be effective and efficient then the consumers divert him to another product which will causes to loss of consumer ultimate profit.
- The companies should be focus on explore the local markets such as weekly bazaars, stalls, exhibitions etc. and improve them slowly with trust creating activities which helps to create a value and buildup the relationship.

7. CONCLUSION:

There is common perception that India is set in village. Most of area is covered by rural (Gramin) part, which is still untapped. The changing life style, high literacy etc. shape and mould the desire and wants of these consumers. These markets are slowly gaining changes in preferences, taste, habits, spending and consumption patterns. Though the present study has focused on the evaluation of post purchase behavior of Food & Beverages, still there is exists and remains some of the issues which are untouched leaving scope for further research which may come-up in any forms like consumption patterns, supply chain management, tuning promotional strategy.

REFERENCES:

- A Sarangapani and T. Mamtha (2009), "Rural Consumer- Post purchase Behaviour and Consumerism" ASBM Journal of Management II (I), pp. 176-199.

- Anita Rani (2011), "Tuning the Retailing Strategy to Woo Consumer", Marketing Master Mind, Vol. XI, Issue 5, May , pp.31-40.

- Ashokan C.G. Hariharann (2008), "Profile and Perception of Retail Consumer-An Empirical Study in Palakkad District", Indian Journal of Marketing, Vol. XXXXIII, No. 2, February, pp. 24.

- Anderson E W Formell & Lehman (1994), "Customer Satisfactions Market Share and Profitability", Journal of Marketing, Vol.58, pp.50.

- Dewsnap and Jobber (2003), "Rethinking Marketing Structures in the FMCG Sector," Working Paper Series No. 03/06.

- FMCG: The Indian opportunity By E q u i t y m a s t e r . c o m www.bestindiansites.com

- Fornell and Bitner (1992), "The American Customer Satisfaction Index: Nature & Purpose," Journal of Marketing, Vol.60, pp.7-18.

- Jiwarjka S K (2004), "Rural Marketing Summit 2004," http://ficci.com.

- IBEF's- Fast Moving Consumer Goods Report, http://www.naukrihub.com.

- India Report: http://www.chilli.blogs.com/india report.

- J.K. Sachdeva, Business Research Methodology, 2008, Himalaya publishing House.

- Lynch J.J. (1993), Managing The Delight Factor, 1st Edition, P.1, IFS International Ltd. Bedford.

- M.K. Rampal & S.L. Gupta, Service Marketing, 2009, Galgotia Publishing Company.

- Mahesh Babaria and Mittal Dharod, FMCG Sector (2009), http://www.ghallabhansali.com, pp.1.

- National Council for Applied Economic Research (NCAER) Report.

- Philip Kotlar & Gray Armstrong, Principles of Marketing, 2009, Pearson Prentice Hall.

- Ron Zemke and Dick Schaaf, The Service Edge: 101Companies that Profit from Customer Care (New York: New American Library, 1989), 31.

- Suja Nair (2007), 'Consumer Behaviour and Marketing Research, 2nd Edition, Himalaya Publishing, Mumbai pp.1.

JOURNAL OF MANAGEMENT
AND
ADMINISTRATION TOMORROW

A STUDY OF ALUMNI RESPONSE WITH REGARDS TO THE ENHANCEMENT OF EMPLOYABILITY OF MBA STUDENTS WITH SPECIAL REFERENCE TO HR SPECIALIZATION
Mohd Zahiruddin, Syed Abdul Mannan

CREATIVITY AND INNOVATION: THE WHIM OF MARKETING
Sapna Mathur, Nitin Tripathi

EMPLOYEE INVOLVEMENT IN ORGANISATION DEVELOPMENT: AN EMPIRICAL STUDY WITH CO-OPERATIVE SUGAR INDUSTRY.
Sudhir Atwadkar, Reshma T. Nathani

ESSENTIAL PLATFORMS TO MAKE FARMING ACTIVITY A LUCRATIVE OCCUPATION
Prashant S. Patil

IMPORTANCE OF HRM PRACTICES IN HOSPITAL INDUSTRY
Harshada Thorat, Daniel Penkar

ONLINE BUYING BEHAVIOR OF YOUTH IN PUNE AND NAGPUR CITY: AN EMPIRICAL STUDY
Vinay Kumar

PERFORMANCE OF ASSAM GRAMIN VIKASH BANK IN CREDIT DEPLOYMENT : AN EVALUATION
Kumoni Kashyap, Kingshuk Adhikari

ROLE OF EFFECTIVE COMMUNICATION IN ORGANIZATIONAL MANAGEMENT
Tanaji D.Dabade, Daniel J. Penkar

SOCIAL CONTRIBUTION INITIATIVES BY INDIAN FILM CELEBRITIES
Pavan C. Patil, Dr. P. W. Kale

WOMEN ENTREPRENEURSHIP SCENARIO IN SANGLI DISTRICT
Anjali V.Murumkar, V.S.Mangnale

Abstract of Ph.D. Theses

A STUDY OF IMPACT OF RUSHIKULYA GRAMYA BANK FINANCE ON RURAL DEVELOPMENT IN THE GANJAM DISTRICT OF ODISHA (2003-2012)
Padmalochan Bisoyi, Nilesh Dangat

A STUDY OF TECHNOLOGICAL TRENDS IN BANKING SECTOR WITH SPECIAL REFERENCE TO SELECTED NATIONALISED BANKS IN PUNE DISTRICT
Kamble B.B., Thorat H.D.
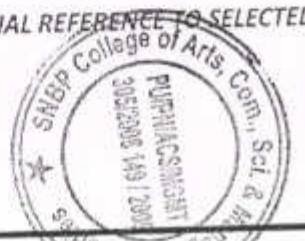
Table of Content

EMPLOYEE INVOLVEMENT IN ORGANISATION DEVELOPMENT: AN EMPIRICAL STUDY WITH CO-OPERATIVE SUGAR INDUSTRY.

Sudhir Atwadkar[1]

Reshma T. Nathani[2]

ABSTRACT

The purpose of this paper is to carry-out in depth study of different factors which influence employee's involvement and participation in the cooperative sugar organisation. The factors related to training, career advancements, motivation, communication and policies have been taken for the study and discussed comprehensively in order to know the perception of employees for improving the operational performance of the organisation. A detailed questionnaire was developed and data was collected from different categories of employees with the help of Likert scale. Analysis was carried out on the basis of mean, standard deviation, frequency distribution, correlation and regression analysis for testing of Hypothesis. Valuable results based on data analysis were found throughout the study which indicates the effects of employees' involvement and participation in performance of cooperative sugar organisation. Several findings have also been drawn on different factors of the study which are perceived to be beneficial in improving the performance of organisation and appropriate recommendations have been made in the light of primary data analysis and Interaction with various employees.

KEY WORDS :- Participation and Involvement, Performance, Training, Motivation, Policies.

INTRODUCTION

Every organisation irrespective of its nature is made up of people. Organisation's make use of every employee's knowledge, developing their proficiency, motivating them to achieve their individual and organizational goals, inspiring to reach higher levels of performance and ensuring that they continue to maintain their commitments towards the organisation which are essential in attaining organizational objectives. Organizations' which are able to acquire, develop, stimulate and retain outstanding employees are effective and efficient. HR practices thus play a vital role either in the success or failure of an organisation.

At present 180 sugar factories are registered in Maharashtra state, out of that most of the co-operative sugar factories are situated in Western Maharashtra. The cooperative sugar factories in our country have been doing a commendable job for all these years in terms of uplifting the socio-economic conditions of its stakeholder's and rural region. The co-operative sugar factories are not only income generating or sugar producing establishment, but they are amongst the biggest employers. During the last decade we have witnessed a paradigm shift in management of enterprises from production based to productive and efficiency based. In modern times 'Management' is treated as a technology and a fundamental factor of production.

In today's competitive business environment, quality and productivity are the two important factors for the survival and growth of any organisation. Involving employees in designing work systems and their participation in decision making generated commitment to find solutions for the problems encountered by them on their jobs. The 21st century has brought revolutionary concepts to transform the conventional practices in commercial and manufacturing enterprise in order to enhance efficiency, control and productivity. Management by Objective (MBO) is fast changing the existing mindset of top and middle management so as to set short-term and long-term goals and devote all energies in the achievement of required

goals. This is done by adopting modern tools and techniques and innovative experimentation on which various models are developed, which not only convince the employees to become active participants but steer them to bring creativity in the work practices as empowered specialists and experts in their respective domains.

Employee involvement is based upon the recognition that the success of any organisation is determined to a significant extent by the contribution of its employees. Employee involvement programs therefore seek to facilitate the involvement or participation of employees in the organisation. Through active participation opportunities are provided for employees to learn or gain information through participative involvement. Now a day, the co-operative industries are suffering from many problems and most of the problems are related to management practices. This study attempts to investigate various problems, on the basis of which required level of performance is being affected in cooperative sugar organisation. The various problems are -

> Lack of training and development opportunities.

> Provision of various financial and non financial motivations for employees.

> Be deficient in career advancement program.

> Problem faced by employees in communication.

> Rules and regulations impressed by higher authorities.

OBJEECTIVES

1. To study the impact of training on performance of employees in organisation.

2. To study prospects of career advancement provided by organisation for employees.

3. To study the motivation given by organisation for employees.

4. To study the communication gap among employees and hierarchy of the organisation.

5. To study the effect of policies and instructions compelled by authorities on the performance of employees.

THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

In this era of globalization there is need for employee' empowerment in organisation so that employees will be in a position to make quick decision and respond quickly to any changes in the environment. Organisation that are committed to employee empowerment they are in a position to motivate and retain their employees, although it's a complex management tool which needs to be nurtured and handled with a lot of care (Nick et al., 1994). In recent years, employees management participation agenda is retained in place. The main objective of EI by employees of a management commitment to increased understanding and a high level of organisation and contributions reflect safety related agenda. While some types of EI through new channels that have increased their influence can provide employees with, or force employees joined (Marchington et al 1,92) in a share not included in de jure is. The production process initiated service delivery issues or direct employees to cover up the involvement of the EI and very busy staff who one more try 'after contract' is likely to include the right products tended to do this. Managers who hold Human relation theory of participation belief simply in involvement for the sake of involvement, arguing that as long as subordinates feel that they are participating and are consulted, their ego needs will be satisfied and they will be more cooperative (Richie and Miles, 1970). Training is an important factor in economics (This increased productivity and quality of life (all right and Tergeist, 2002) is a major source). Workers who perform complex tasks and higher levels of formal education of this high-efficiency, higher wages, more training opportunities, now far more social status (Gershuny, 2005). In contrast, workers who have less education in the process of backward training workers for their skill at a dangerous cycle inducing, more unemployment and increase the risk of social exclusion could be expected to achieve (Keep et al, 2002).

Davis (1999) studied and explored the relation between current management thinking in a broad sense and the particularities of managing a cooperative enterprise. In the

author's words "managers managing cooperative organizations should have access to not only the best and latest management techniques, methodologies and strategies but they should also understand how to apply them in the context of the cooperative values and purposes that their organizations serve". Kamat (1966) in his PhD. thesis titled "Management of Cooperative Sugar Factories in Maharashtra" studied 12 cooperative sugar factories in Maharashtra and concluded that large gap remains in what is being accomplished and what would be done with higher standards of cooperative business management practices. Focus group research (Murgolo Poore - et al), after creating intranet effectiveness inductively Checklist, which causes most questions center on changes of cooperation between employees. Business press, many business and management consulting profession opinion is that a company's corporate culture and strong policy option for economic performance is a difference. However, empirical literature in economics and finance is still little attention paid to the potential role that corporate culture is extended

to companies, most measuring and quantifying corporate culture plays because of the difficulties, but the economic ideas clearly due to lack of strong policies that certainly is a model corporate culture. But, as pointed out by Kreps (1990) and Hermalin (2001), corporate culture need to understand if we 'policy option companies want to understand ahd ultimately their performance. This paper contributed so strongly a formal empirical analysis of policies and performance in the corporate culture from ideology.
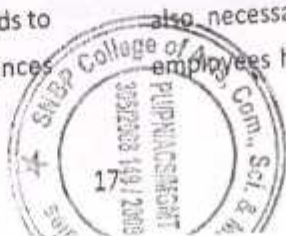
As Torbiorn, Petterson, and Arvonen (1996) suggested that management of the organisation is required to provide the right circumstances or conditions so that employees can be and feel empowered and willing and able to exert upward influence. HRM has emerged as a major function in enterprises and organisations. It is the focus for a wide-ranging debate concerning the nature of the contemporary employment relationship in many market economies. In order for an employee involvement process to be effective, five factors need to be present.
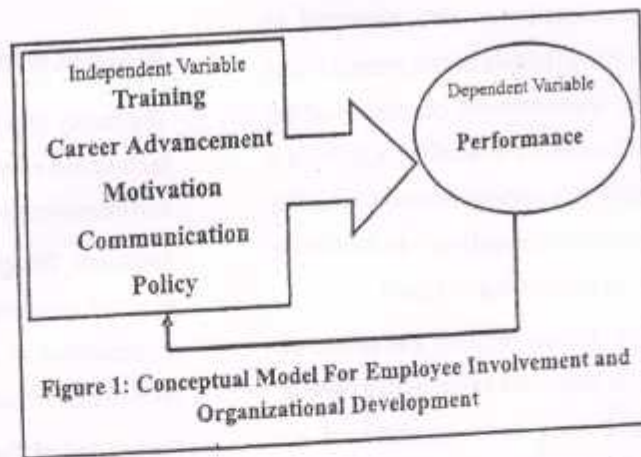
Figure 1: Conceptual Model For Employee Involvement and Organizational Development

Training: The importance of HRD to a large extent depend on training. Job and organizational requirements are not static. They are changed from time to time in the view of technological advancement and change in the awareness of the TQM. Trained employees are valuable asset to an organisation. Organizational efficiency, productivity, progress and development to a greater extent depend on training. If the required training is not provided, it leads to performance failure of employees. Training enhances

competence, commitment, creativity and contribution for the organisation.

Motivation: Motivation in simple terms may be understood as the set of forces that cause people to behave in certain ways. Ability refers to the skill and competence of the person to complete a given task. However, ability alone is not enough. The person's desire to accomplish the task is also necessary. Organisation becomes successful when employees have abilities and desire to accomplish given

tasks. People are said to be motivated positively when they are shown a reward and way to achieve it. Such a reward may be financial or non financial. Motivated employees are always looking for better way to do jobs and performance.

Career Advancement: Career is a sequence of separate but related work activities that provides continuity, order and meaning in personal life of employees. Individual career planning assumed greater significance with the unparallel growth and speed of knowledge. Career planning is modern tool to retain the employees in organisation. It wills not only provided multiple alternatives, but also enhance the knowledge, skill of employees and performance of organisation.

Communication: All organisation need communication systems to function, whether these are overtly recognized or subconsciously taken for granted. Communication is important in the organisation for three reasons – all the functions of management involve the act of communication without which they cannot be performed at all, authorities devote a major portion of their time to the acidity of communication and interpersonal relations are maintained and developed only through the system of communication. Communication is also essential to integrate and coordinate the activities of the people in the organisation. Employee involvement communication systems are processes that enable the workforce to have a greater say in decision-making to varying degrees, with the concomitant loss of managerial prerogatives - an issue that can create conflict, as well as attempting to allay it.

Policy: Policy refers to those set of perspective management proposals and measures taken with a view to ensuing the survival and long term success of an organisation in a competitive environment. HR policies constitute guidelines to the course of action intended to accomplish personnel objectives. HR programmes are complex sets of goals, rules, steps to be taken, resources to be employed and other elements necessary to carry out the given course of action. It can be said that rules and programmes are aids to policy.

In the present situation of the management practices,

employee involvement and participation is an effective tool to improve the performance of any organisation. To develop the employee involvement and participation in decision making, a theoretical framework (Model) has been designed based on the variables- training, career, advancement, motivation, communication policies and performance. 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 employee participation and organizational development context. The hypotheses for the present study are -

H1: There is a significant relation between training and performance.

H2: Career advancement influences overall performance of employees.

H3: There is association between motivation programs and performance.

H4: Communication channel affects the performance of employees.

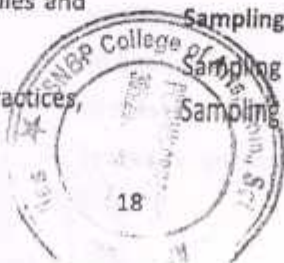H5: Policies and instruction have impact on performance of employees.

RESEARCH METHODOLOGY:

The major objective of this is to explain various tools and techniques employed for the data collection, data analysis and interpretation of the data relating to the present study

Research Design - In this study, Exploratory Research Method was adopted to ascertain the involvement and participation of employees in order to achieve required level of performance in the strategic organisation.

Population of the Study - This study aimed to find out the problems of employees due to which their involvement and participation is being affected in performance of Cooperative Sugar industry. In this study, the population consists of all the employees working in the Cooperative Sugar Industry.

Sampling Technique - For this research Non Probability Sampling technique has adopted in which Convenience Sampling Method was chosen for obtaining the opinion of

the employees.

Sample Size - Five Cooperative Sugar Industries are considered and Sample size consisting of 200 personnel employed at various levels in these organisations. The levels of employees (sampled) have been divided into three different management categories namely Senior, Middle and Junior Managers of different departments.

Research Tools and Instruments - The data was collected with the help of an interviewing schedule. An interviewing schedule consists of a set of questions asked in questionnaire to the respondents and answers are recorded by interviewer in a face to face situation. Efforts were made to construct structurd questions as far as possible. Questionnaire of this research was constructed in the light of 5 point LIKERT Scale. The LIKERT scale shows the intensity of feelings of individuals towards objects.

RESULTS ON DATA ANALYSIS:

The main purpose of this is to carry out the statistical analysis of primary data which was collected with the help of questionnaire form by the researcher himself in a face to face situation. All respondents were interviewed personally.

The data was collected from three different level categories of different departments of the organisation. These management categories are senior management, middle management and junior management. Senior level category consists of Managing Director, General Manager and Head of departments. Middle management category consists of Assistant Manager, Supervisors, Clerk and Lab. Assistants. The Junior level category includes skilled and semi skilled machine operators, packaging, maintenance staff and drivers.

200 respondents were taken as a sample from three different management categories. 15 respondents were taken from senior managers who are having experience of 15 to 20 years, 75 respondents were taken from middle level categories who all having experience of 10 to 15 years and 110 respondents were taken from junior level categories who haveing experience of 5 to 10 years, to whom questionnaires were distributed and interviewed accordingly. Out of 200 individuals, all respondents actually filled in and returned the questionnaire to researcher for evaluation. 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 employees involvement and participation in organization's activities. The collected primary data has been divided into three parts for detailed analysis. The results were presented in, tabulation and analysis of descriptive statistics and correlation analysis and testing of hypothesis.

Reliability Statistics	
Cronbach's Alpha	N of Items.
722	30

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 72.2 percent which was collected through independent and dependent variables.

Correlation analysis dictates following:

Correlations		Training	Career Advancement	Motivation	Communication	Policy	Performance
Training	Pearson Correlation	1	.468**	.502**	.355**	.002	.2∅1**
	Sig. (2-tailed)		.000	.000	.000	.976	.000
	N	200	200	200	200	200	200
Career Advancement	Pearson Correlation	.468**	1	.549**	.197**	.196**	.320**
	Sig. (2-tailed)	.000		.000	.005	.005	.000
	N	200	200	200	200	200	200
Motivation	Pearson Correlation	.502**	.549**	1	.650**	.153*	.416**
	Sig. (2-tailed)	.000	.000		.000	.031	.000
	N	200	200	200	200	200	200
Communication	Pearson Correlation	.355**	.197**	.650**	1	.238**	.435**
	Sig. (2-tailed)	.000	.005	.000		.001	.000
	N	200	200	200	200	200	200
Policy	Pearson Correlation	.002	.196**	.153*	.238**	1	.239**
	Sig. (2-tailed)	.976	.005	.031	.001		.001
	N	200	200	200	200	200	200
Performance	Pearson Correlation	.271**	.320**	.416**	.435**	.239**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.001	
	N	200	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

> Performance and communication has strong relationship as indicated by 43.5 percent which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

> There is strong association of performance and motivation by 41.6 percent which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

> Strong association has been found between performance and career advancement by 32 percent which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

> Performance and training have relationship by 27.1 percent which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

> Performance and policies have relationship by 23.9 percent which have confirmed to be significant a* * percent level of significance based on 2 tailed tests.

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	.553a	.306	.292	5.97100	.016	4.609	1	195	.033	.876

a. Predictors: (Constant), Training, Communication, Career Advancement, Policy, Motivation
b. Dependent Variable: Performance

Through Regression analysis only total 29.2 percent performance of organisation depends upon the independent variables i.e. training, career advancement, motivation, communication and policies.

Testing of Hypotheses -

Model	Coefficients *				
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
Training	.044	.065	.079	0.677	.499
Career Advancement	.122	.054	.234	2.256	.025
Motivation	.138	.098	.225	1.408	.161
Communication	.207	.095	.316	2.193	.029
Policy	.200	.073	.255	2.719	.007
a. Dependent Variable: performance					

Hypothesis # 1 - There is a significant relation between training and performance.

Training has significant relation with performance of employees by 7.9 percent if adequate on the job training, prepare the employees for changing requirements, role and responsibilities are to be monitored by the hierarchy of the organisation. The analysis shows that Hypothesis # 1 stands true.

Hypothesis # 2 - Career advancement influences overall performance of employees.

Career advancement influences overall performance of employees by 23.4 percent if counseling of career development services and internal career advancements of the employees are to be facilitated by the management authorities of the organisation. The result shows that Hypothesis # 2 holds true.

Hypothesis # 3 – There is association between motivation programs and performance.

Motivation programs has association with performance by 22.5 percent in an organisation if educational benefits, recreational facilities, healthcare facilities are to be given by the management authorities of the organisation. The result shows that Hypothesis # 3 holds true.

Hypothesis # 4 - Communication channel affects the performance of employees.

Communication has strong impact on performance of the organisation by 31.6 percent if accurate, regular and timely communication is to be ensured by the organisation. This result shows that Hypothesis # 4 stands true.

Hypothesis # 5 - Policies and instruction have impact on performance of employees.

Policies and instructions of organisation have strong impact on performance by 25.5 percent if rigid and fixed policies made flexible, opinion of employees without fear be ensured on the need of time through the employees' involvement and participation. The result shows that Hypothesis # 5 holds true.

DISCUSSION AND FINDINGS:

After getting interviews from respondents and analysis of data, the following observations have been found -

Training -

1. **Training Need Assessment :** Before the training, assessment is important to design proper training program. It is observed that there is lack of need assessment before the training. Most of respondents strongly disagreed and disagreed with the need assessment before the training.

2. **Training Methods:** Training plays an important role in enhancing the knowledge, skill and abilities of employees. The study denotes that 70 percent respondents have gone through the on the job training method.

3. **Guidelines and Supervision:** Time to time counseling and Guidelines helps to improve the performance of employees. Half of the respondents agreed that they were getting the guidelines from their supervisor time to time.

4. **Adequate Training:** It is observed that there is lack of adequate training for the respondents to perform well

because of short period training on various grades of employees. It was found that half of the respondents were not satisfied with the provision of adequate training to perform their task well.

5. **Training Program Well and Suitable:** It is observed that 35 percent the respondents agreed that the training programs are designed well and suitable whereas 30 percent respondents were neutral. So there is need to focus on designing training strategies.

Career Advancement -

6. **Career Development Services:** It has been observed that in cooperative sugar organisation provided the career development services. 35 percent respondents were strongly agreed and agreed with the organisation offers career development services.

7. **Career Counseling:** The career counseling helps employees to achieve the individual goals and enhance the performance which directly affected to the organizational performance. 45 percent of respondents were satisfied with the career counseling. It means that the cooperative sugar organisations provided the career counseling to the employees.

8. **Internal Career Advancement:** Internal career advancement helps employees to motivate and maintain their performance towards the goal achievement. It is observed that 34 percent respondents are satisfied with the internal career advancement.

9. **Design of Career Development Program:** The proper design of career development program motivated to do well to employees and enhance the performance. From the study it is found that 39 percent of respondents were satisfied with the design of career development program and 37 percent respondents thinks that career development programs are goal achievement oriented.

Motivation -

10. **Reward System:** Monetary and non monetary rewards always motivated employees for better performance. It is observed that only non monitory rewards were given to the employees. Also the study elicit that 46 percent respondents were agreed and strongly agreed that the organisation offers merit raises reward system. It means that the organisation provided the rewards for the better work and performance which act as boost to motivate to employee.

11. **Welfare and Recreational:** It has found that 45 percent respondents were agreed and strongly agreed that organisation encourage employees by offering welfare and recreational programs such as Child Scholarship, family healthcare, canteen, transportation etc. It has been also observed that child scholarships are not sufficient which are being provided to the employees. Only specific education program the scholarship is provided to the children of employees who are studying in engineering diploma or degree.

12. **Safety and Security:** The attention on Safety and Security of employees reduces the sickness and accidental percentage which increase the productivity and minimize the cost. Most of respondents are satisfied with the safety and security provided by organisation. 48 percent respondents were agreed and strongly agreed with the organisation pays an attention on employee safety health and security. It means the cooperative sugar industry provided the attention on employees' safety and security.

13. **Adequate Time Off:** The adequate time off provided the space to the employees for their personal work and also to keep them fresh. The study elicits that leave facility including the vacation time, sick time whenever employees require that is provided regularly by the organisation which definitely enhance the better performance. 36 percent respondents were agreed with organisation provides adequate time off for employees. It means the Cooperative Sugar Industry provides the adequate time off to the employees.

14. **Transparency in Motivation:** Transparency in any program or activity keeps the clarity in employees which help to develop the team and motivated to better performance. It is found that the majority of respondents were satisfied with the transparency in motivation. 42 percent respondents were agreed with the organisation keeps the transparency in motivation programs.

Communication -

15. **Clear and Consistent Communication:** Communication process has a great importance in any organisation in order to perform duties more effectively. Clear and consistent communication enhances the performance of employees. It is observed that 44 percent respondents agreed that the organisation communicates a clear, consistent vision and mission to employees.

16. **Regular Communication:** It has been observed that a there is ambiguity in employees regarding the regular communication. 38 percent respondents were disagreeing where as 37 percent respondents were agreed with the regular communication done by the management authorities in order to get the job done from the employees.

17. **Willingness to Listen from Employees:** It has been found that in cooperative sugar industry, willing to listen from their subordinates is poor. The study elicits that 39 percent respondents were disagree, 37 respondents are agreed and 24 percent respondents were neutral.

18. **Accurate Timely Communication:** The message must be communicated in accurate shape to the employees so that output is received accordingly accurate and timely communication enhances the performance of the employees if it is conveyed properly. It is found that 41 percent respondents were agreeing that the organisation communicate information accurate and timely.

19. **Proper Channel of Communication:** Channel of communication in organisation is easy due to which most of the messages received in time especially at middle management level. Majority (46 percent) of respondents were satisfied with proper channel of communication.

Policies-

20. **Feedback Policy:** Feedback is an input to any organisation in order to improve the performance of employees. Regular monitoring of feedback policy provides satisfaction to the employees. The study indicates 45 percent respondents were agreed that the organisation provides the opportunity provide the feedback.

21. **Opinion without Fear:** It has been observed that employees are not inspired to give opinion on the lower floor which may be harmful to the organisation in future.

22. **Policy Design and Administrated Well:** The proper design and administration of employee related policies create smooth and regular working condition which improves the overall performance of the organisation. Most of the respondents were happy with the proper design and administration of the employee related policies.

Performance -

23. **Training:** Every organisation wants and tries to get maximum output from their employees. To get a maximum output they arrange different types of training programs. Training has a great impact on performance of the workers if it is given to them with modern training methods, on equal interval according to need, requirement and as per their designation which helps enhance the performance.

24. **Career Advancement:** Every employee thinks about their career. The career advancement has a great influence on employees. If the organisation assign the outsider person for career counseling, show the proper vision and realize the strength of employee, the employees will encourage and improving the performance and retain themselves the organisation.

44 percent respondents think that organisation offers career advancement program helps to improve and retain the performance.

25. **Motivation:** The monetary and non monetary motivation play vital role in showing good performance. If the organisation offers the proper combination of financial and non financial motivation techniques to employees, they will prove better and show active participation in their work.

26. **Communication:** Accurate, clear and consistent communication from different authorities gives boost to the employees for showing good performance. If the organisation will be remove the gap and establish the proper link at each stage of employees will perform well and in time of the job which they have been tasked.

27. **Policies:** It has been found that half of the respondents were agreed with that policies and instructions have an effect on the performance of the employees. In organisation policies are being made at top level management and transferred to down level where the involvement and participation of employees is very less. If the management consider the senior employees view or representation of

LIMITATIONS and RECOMMENDATIONS:

Limitations -

The present study carried out in cooperative sugar industry. While carrying study number of restrictions faced including time limit, various standard procedures issued authorities and negative of support of respondents etc.

Recommendations -

1. Modern training methods and techniques play an important role in performing the tasks of employees. Due to variety of technology and changing environment of organisation, the combo application of on the job and off the job training should be conducted on regular basis to make the employee's involvement and participation more effective and better output.

2. Before the training there should be requirement of need analysis. There must be make a need analysis and adequate training as per grade should be provided to employees in order to enhance their technical ability.

3. There must be provision of career development services in different grade which are helpful for the promotion of employees. The management authorities should clear the internal career advancement which provides the goals to employees.

4. Motivation act as boost to perform well. There should be need of proper amalgamation of monetary and non-monetary motivation techniques which wrap most of employees.

5. There is provision of scholarship to only engineering students. There should be need to think about the talent of all type of category students and especially different scholarshi for the Girls which will encourage all employees and coat the social responsibility.

6. Regular communication should be ensured by the authorities in order to make the employees more active and participative. The authorities should be listening the genuine problems of the employees and take care. Communication channels should not be too lengthy and keep the proper bridge.

7. There should be focus of feedback policy. Higher authorities should encourage the employees for opinion without fear. The management authori should take the regular feedback of employees in the organisation.

8. Proper training system has a great impact on the performance of employees which ultimately leads to active involvement and participation of employees in an organisation.

9. Comprehensive incentives and reward systems act as boost and play the crucial role in showing good performance, so more will be the incentives, best will be the performance.

10. Policies should be flexible, as policies and performance of employees have close relationship with each other.

CONCLUSION

Cooperative organisations play an important role in the growth and development of the rustic area. They are the main bone in economic development of rural region. Cooperative sugar organisations have not become very professional in their management approach as compared to private organisations. Apart from this many organisations have excellent performance track records and have managed to achieve desired results. However modern HR practices are neglected and management of cooperative sugar organisations failed to understand the strategic role of employee involvement and its importance in global business environment. Thus HR functions needs a fresh restoring so that employees inefficiencies and redundancy if any can be removed and improve the efficiencies of the organisations to the fullest extent. To maintain the performance and survive in the era of globalization cooperative organisation must involve and participate their employees in various tasks which create the genuineness and build up strong relationship with the organisation.

REFERENCES:

1. Bacal and Associates (1999). Why Ratings Based Appraisals Fail. Unknown. www.perform.8m.com.

2. Barney, J.B. 1991. "Firm resources and sustained competitive advantage, Journal of Management", vol. 1, pp. 99–120.

3. Becker, B. and Gerhart, B. (1996), 'the impact of human resource management on organizational performance: progress and prospects', Academy of Management Journal, Vol 39 (4), pp.779-801.

4. Brown, Metz (2009). Irreconcilable differences? Strategic HRM and employee wellbeing, Asia pacific Journal of human resources, vol.47, no. 3, 270-294.

5. Dr. Matt Grawitch (2002), "Optimize your resource allocation in Good company blog".

6. G.S. Kamat., "Management of Cooperative Sugar Factories in Maharashtra," Maharashtra Rajya Sahakari Sangh, Mumbai, India Printing Works, page 1-189

7. Gollan, P. (2005) 'Representative Voice – The Interplay between non-union and union representation arrangements at Eurotunnel', Advances in Industrial and Labor Relations, 14, Greenwich Conn.: JAI Press.

8. Goode, W. and P. Hatt. (1952). Method in Social Research. Mc Graw Hill Book Co., New York: 133, 214.

9. Husiled, M.A. (1995) "the impact of HRM practices on turnover, productivity, and Corporate financial performance", Academy of Management journal, 38: 635-72.

10. Koh, J., and Lee, M. 2001, 'Is empowerment realty a new concept? The international Journal of Human Resource Management. Volume: 12, Issue: 4, Pager 684-695.

11. Marchington, M., Goodman, J., Wilkinson, A. and Ackers, P. (1992), New Developments in Employee Involvement, Employment Department Research Paper, Series No 2.

12. Murgolo-Poore, M., Pitt, L., Berthon, P., and Prendegast, G. (2003, June). Corporate intelligence dissemination as a consequence of intranet effectiveness: An empirical study. Public Relations Review, 29(2), 171-184

13. Nick N, Jack IS, Warren RN, Barbara W (1994). Empowerment in organisations., 2(3): 45-55

14. Peter Davis, "Managing the Cooperative Difference: A survey of the Application of Modern Management Practices in the Cooperative Context," ISBN-92-2-111582-8, ILO, Geneva, Published 1999.

15. Richie and Miles, (1992). Productive Performance Appraisals. New York, NY:AMACOM

16. Wood S (1999). 'Human Resource Management and Performance'. International Journal of Management Reviews 1: 4 367-413

WEB REFERENCES

17. http://apj.sagepub.com/content/22/4/16 abstract

18. http://www.Google.com

19. http://www. Performance measurement. net/news_detail

Table of Content   Page No

EMPLOYEE INVOLVEMENT IN ORGANISATION DEVELOPMENT: AN EMPIRICAl STUDY WITH CO-OPERATIVE SUGAR INDUSTRY.

Sudhir Atwadkar

Reshma T. Nathani

ABSTRACT

The purpose of this paper is to carry-out in depth study of different factors which influence employee's involvement an participation in the cooperative sugar organisation. The factors related to training, career advancements, motivation communication and policies have been taken for the study and discussed comprehensively in order to know the perception c employees for improving the operational performance of the organisation. A detailed questionnaire was developed and dat was collected from different categories of employees with the help of Likert scale. Analysis was carried out on the basis of mear standard deviation, frequency distribution, correlation and regression analysis for testing of Hypothesis. Valuable results base on data analysis were found throughout the study which indicates the effects of employees' involvement and participation i performance of cooperative sugar organisation. Several findings have also been drawn on different factors of the study whic are perceived to be beneficial in improving the performance of organisation and appropriate recommendations have been mad in the light of primary data analysis and interaction with various employees.

INTRODUCTION

Every organisation irrespective of its nature is made up of people. Organisation's make use of every employee's knowledge, developing their proficiency, motivating them to achieve their individual and organizational goals, inspiring to reach higher levels of performance and ensuring that they continue to maintain their commitments towards the organisation which are essential in attaining organizational objectives. Organizations' which are able to acquire, develop, stimulate and retain outstanding employees are effective and efficient. HR practices thus play a vital role either in the success or failure of an organisation.

At present 180 sugar factories are registered in Maharashtra state, out of that most of the co-operative sugar factories are situated in Western Maharashtra. The cooperative sugar factories in our country have been doing a commendable job for all these years in terms of uplifting the socio-economic conditions of its stakeholder's and rural region. The co-operative sugar factories are not only income generating or sugar producing establishment, bi they are amongst the biggest employers. During the la: decade we have witnessed a paradigm shift i management of enterprises from production based t productive and efficiency based. In modern time 'Management' is treated as a technology and fundamental factor of production.

In today's competitive business environment, quality ar productivity are the two important factors for the surviv and growth of any organisation. Involving employees designing work systems and their participation in decisic making generated commitment to find solutions for th problems encountered by them on their jobs. The 2: century has brought revolutionary concepts to transfor the conventional practices in commercial ar manufacturing enterprise in order to enhance efficient control and productivity. Management by Objective (MB is fast changing the existing mindset of top and mid management so as to set short-term and long-term go: and devote all energies in the achievement of requir

© SBPIM
[1] Associate Professor, Institute of Business Management and Research, Chakan, Pune 410501.
Contact No.: 8275001199   Email Id: sudhir.atwadkar@gmail.com
[2] Assistant Professor, Alard Institute of Management Sciences, Marunji, Pune 411057.
Contact No.: 8275001198   Email Id: reshmanathani2@gmail.com

goals. This is done by adopting modern tools and techniques and innovative experimentation on which various models are developed, which not only convince the employees to become active participants but steer them to bring creativity in the work practices as empowered specialists and experts in their respective domains.

Employee involvement is based upon the recognition that the success of any organisation is determined to a significant extent by the contribution of its employees. Employee involvement programs therefore seek to facilitate the involvement or participation of employees in the organisation. Through active participation opportunities are provided for employees to learn or gain information through participative involvement. Now a day, the co-operative industries are suffering from many problems and most of the problems are related to management practices. This study attempts to investigate various problems, on the basis of which required level of performance is being affected in cooperative sugar organisation. The various problems are -

- Lack of training and development opportunities.
- Provision of various financial and non financial motivations for employees.
- Be deficient in career advancement program.
- Problem faced by employees in communication.
- Rules and regulations impressed by higher authorities.

OBJEECTIVES

1. To study the impact of training on performance of employees in organisation.
2. To study prospects of career advancement provided by organisation for employees.
3. To study the motivation given by organisation for employees.
4. To study the communication gap among employees and hierarchy of the organisation.
5. To study the effect of policies and instructions compelled by authorities on the performance of employees.

THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

In this era of globalization there is need for employee' empowerment in organisation so that employees will be in a position to make quick decision and respond quickly to any changes in the environment. Organisation that are committed to employee empowerment they are in a position to motivate and retain their employees, although it's a complex management tool which needs to be nurtured and handled with a lot of care (Nick et al., 1994). In recent years, employees management participation agenda is retained in place. The main objective of EI by employees of a management commitment to increased understanding and a high level of organisation and contributions reflect safety related agenda. While some types of EI through new channels that have increased their influence can provide employees with, or force employees joined (Marchington et al 1 /92) in a share not included de jure is. The production process initiated service delivery issues or direct employees to cover up the involvement of the EI and very busy staff who one more try 'after contract' is likely to include the right products tended to do this. Managers who hold Human relation theory of participation belief simply in involvement for the sake of involvement, arguing that as long as subordinates feel that they are participating and are consulted, their ego needs will be satisfied and they will be more cooperative (Richie and Miles, 1970). Training is an important factor in economics. (This increased productivity and quality of life (all right and Tergeist, 2002) is a major source). Workers who perform complex tasks and higher levels of formal education of this high-efficiency, higher wages, more training opportunitie now far more social status (Gershuny, 2005). In contrast, workers who have less education in the process of backward training workers for their skill at a dangerous cycle inducing, more unemployment and increase the risk of social exclusion could be expected to achieve (Keep et al, 2002).
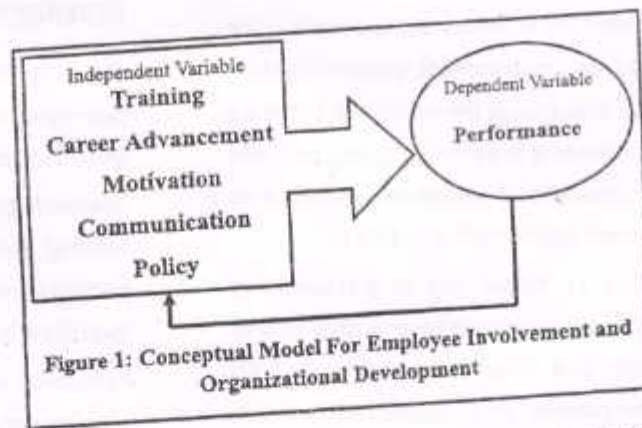
Davis (1999) studied and explored the relation between current management thinking in a broad sense and the particularities of managing a cooperative enterprise. In the

author's words "managers managing cooperative organizations should have access to not only the best and latest management techniques, methodologies and strategies but they should also understand how to apply them in the context of the cooperative values and purposes that their organizations serve". Kamat (1966) in his PhD. thesis titled "Management of Cooperative Sugar Factories in Maharashtra" studied 12 cooperative sugar factories in Maharashtra and concluded that large gap remains in what is being accomplished and what would be done with higher standards of cooperative business management practices. Focus group research (Murgolo Poore - et al), after creating intranet effectiveness inductively Checklist, which causes most questions center on changes of cooperation between employees. Business press, many business and management consulting profession opinion is that a company's corporate culture and strong policy option for economic performance is a difference. However, empirical literature in economics and finance is still little attention paid to the potential role that corporate culture is extended

to companies, most measuring and quantifying corporate culture plays because of the difficulties, but the economic ideas clearly due to lack of strong policies that certainly is a model corporate culture. But, as pointed out by Kreps (1990) and Hermalin (2001), corporate culture need to understand if we 'policy option companies want to understand ahd ultimately their performance. This pape contributed so strongly a formal empirical analysis o policies and performance in the corporate culture fron ideology.

As Torbiorn, Petterson, and Arvonen (1996) suggested tha management of the organisation is required to provide th right circumstances or conditions so that employees can b and feel empowered and willing and able to exert upwar influence. HRM has emerged as a major function i enterprises and organisations. It is the focus for a wid ranging debate concerning the nature of the contempora employment relationship in many market economies. order for an employee involvement process to be effectiv five factors need to be present.

Figure 1: Conceptual Model For Employee Involvement and Organizational Development

Training: The importance of HRD to a large extent depend on training. Job and organizational requirements are not static. They are changed from time to time in the view of technological advancement and change in the awareness of the TQM. Trained employees are valuable asset to an organisation. Organizational efficiency, productivity, progress and development to a greater extent depend on training. If the required training is not provided, it leads to performance failure of employees. Training enhances

competence, commitment, creativity and contribution the organisation.

Motivation: Motivation in simple terms may understood as the set of forces that cause people to beh in certain ways. Ability refers to the skill and competenc the person to complete a given task. However, ability al is not enough. The person's desire to accomplish the ta also necessary. Organisation becomes successful w employees have abilities and desire to accomplish g

tasks. People are said to be motivated positively when they are shown a reward and way to achieve it. Such a reward may be financial or non financial. Motivated employees are always looking for better way to do jobs and performance.

Career Advancement: Career is a sequence of separate but related work activities that provides continuity, order and meaning in personal life of employees. Individual career planning assumed greater significance with the unparallel growth and speed of knowledge. Career planning is modern tool to retain the employees in organisation. It wills not only provided multiple alternatives, but also enhance the knowledge, skill of employees and performance of organisation.

Communication: All organisation need communication systems to function, whether these are overtly recognized or subconsciously taken for granted. Communication is important in the organisation for three reasons – all the functions of management involve the act of communication without which they cannot be performed at all, authorities devote a major portion of their time to the acidity of communication and interpersonal relations are maintained and developed only through the system of communication. Communication is also essential to integrate and coordinate the activities of the people in the organisation. Employee involvement communication systems are processes that enable the workforce to have a greater say in decision-making to varying degrees, with the concomitant loss of managerial prerogatives - an issue that can create conflict, as well as attempting to allay it.

Policy: Policy refers to those set of perspective management proposals and measures taken with a view to ensuing the survival and long term success of an organisation in a competitive environment. HR policies constitute guidelines to the course of action intended to accomplish personnel objectives. HR programmes are complex sets of goals, rules, steps to be taken, resources to be employed and other elements necessary to carry out the given course of action. It can be said that rules and programmes are aids to policy.

In the present situation of the management practices, employee involvement and participation is an effective tool to improve the performance of any organisation. To develop the employee involvement and participation in decision making, a theoretical framework (Model) has been designed based on the variables- training, career, advancement, motivation, communication policies and performance. 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 employee participation and organizational development context. The hypotheses for the present study are -

H1: There is a significant relation between training and performance.

H2: Career advancement influences overall performance of employees.

H3: There is association between motivation programs and performance.

H4: Communication channel affects the performance of employees.

H5: Policies and instruction have impact on performance of employees.
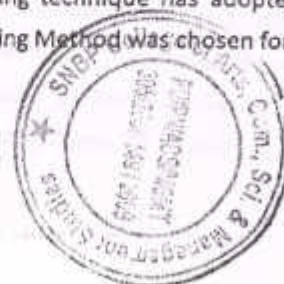
RESEARCH METHODOLOGY:

The major objective of this is to explain various tools and techniques employed for the data collection, data analysis and interpretation of the data relating to the present study.

Research Design - In this study, Exploratory Research Method was adopted to ascertain the involvement and participation of employees in order to achieve required level of performance in the strategic organisation.

Population of the Study - This study aimed to find out the problems of employees due to which their involvement and participation is being affected in performance of Cooperative Sugar Industry. In this study, the population consists of all the employees working in the Cooperative Sugar Industry.

Sampling Technique - For this research Non Probability Sampling technique has adopted in which Convenience Sampling Method was chosen for obtaining the opinion of

the employees.

Sample Size - Five Cooperative Sugar Industries are considered and Sample size consisting of 200 personnel employed at various levels in these organisations. The levels of employees (sampled) have been divided into three different management categories namely Senior, Middle and Junior Managers of different departments.

Research Tools and Instruments - The data was collected with the help of an interviewing schedule. An interviewing schedule consists of a set of questions asked in questionnaire to the respondents and answers are recorded by interviewer in a face to face situation. Efforts were made to construct structurd questions as far as possible. Questionnaire of this research was constructed in the light of 5 point LIKERT Scale. The LIKERT scale shows the intensity of feelings of individuals towards objects.

RESULTS ON DATA ANALYSIS:

The main purpose of this is to carry out the statistical analysis of primary data which was collected with the help of questionnaire form by the researcher himself in a face to face situation. All respondents were interviewed personally.

The data was collected from three different level categories of different departments of the organisation. These management categories are senior management, middle management and junior management. Senior level category consists of Managing Director, General Manager and Head of departments. Middle management category consists of Assistant Manager, Supervisors, Clerk and Lab. Assistants. The Junior level category includes skilled and semi skilled machine operators, packaging, maintenance staff and drivers.

200 respondents were taken as a sample from three different management categories. 15 respondents were taken from senior managers who are having experience of 15 to 20 years, 75 respondents were taken from middle level categories who all having experience of 10 to 15 years and 110 respondents were taken from junior level categories who haveing experience of 5 to 10 years, to whom questionnaires were distributed and interviewed accordingly. Out of 200 individuals, all respondents actually filled in and returned the questionnaire to researcher for evaluation. 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 employees involvement and participation in organization's activities. The collected primary data has been divided into three parts for detailed analysis. The results were presented in, tabulation and analysis of descriptive statistics and correlation analysis and testing of hypothesis.

Reliability Statistics	
Cronbach's Alpha	N of Items.
722	30

Correlation and Regression Analysis -

Correlation and Regression analysis is carried out by th use of Microsoft Excel and SPSS (17.0). Through thi analysis, Reliability of the data, development c analysis, Reliability of the data, development c relationship between independent and depender variables (correlations), and validity of the model ar testing of Hypothesis has been found out. Reliability of da was found by 72.2 percent which was collected throug independent and dependent variables.

Correlation analysis dictates following:

Correlations		Training	Career Advancement	Motivation	Communication	Policy	Performance
Training	Pearson Correlation	1	.468**	.502**	.355**	.002	.271**
	Sig. (2-tailed)		.000	.000	.000	.976	.000
	N	200	200	200	200	200	200
Career Advancement	Pearson Correlation	.468**	1	.549**	.197**	.196**	.320**
	Sig. (2-tailed)	.000		.000	.005	.005	.000
	N	200	200	200	200	200	200
Motivation	Pearson Correlation	.502**	.549**	1	.650**	.153*	.416**
	Sig. (2-tailed)	.000	.000		.000	.031	.000
	N	200	200	200	200	200	200
Communication	Pearson Correlation	.355**	.197**	.650**	1	.238**	.435**
	Sig. (2-tailed)	.000	.005	.000		.001	.000
	N	200	200	200	200	200	200
Policy	Pearson Correlation	.002	.196**	.153*	.238**	1	.239**
	Sig. (2-tailed)	.976	.005	.031	.001		.001
	N	200	200	200	200	200	200
Performance	Pearson Correlation	.271**	.320**	.416**	.435**	.239**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.001	
	N	200	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

➢ Performance and communication has strong relationship as indicated by 43.5 percent which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ There is strong association of performance and motivation by 41.6 percent which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ Strong association has been found between performance and career advancement by 32 percent which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

➢ Performance and training have relationship by 27.1 percent which have proved to be significant at 1 percent level of significance based on 2 tailed tests.

➢ Performance and policies have relationship by 23.9 percent which have confirmed to be significant at 1 percent level of significance based on 2 tailed tests.

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	.553a	.306	.292	5.97100	.016	4.609	1	195	.033	.876

a. Predictors: (Constant), Training, Communication, Career Advancement, Policy, Motivation
b. Dependent Variable: Performance

Through Regression analysis only total 29.2 percent performance of organisation depends upon the independent variables i.e. training, career advancement, motivation, communication and policies.

20

Testing of Hypotheses -

Model	Coefficients *		Standardized Coefficients	T	Sig.
	Unstandardized Coefficients				
	B	Std. Error			
	.044	.065	.079	0.677	.499
Training	.122	.054	.234	2.256	.025
Career Advancement	.138	.098	.225	1.408	.161
Motivation	.207	.095	.316	2.193	.029
Communication	.200	.073	.255	2.719	.007
Policy					

a. Dependent Variable: performance

Hypothesis # 1 - There is a significant relation between training and performance.

Training has significant relation with performance of employees by 7.9 percent if adequate on the job training, prepare the employees for changing requirements, role and responsibilities are to be monitored by the hierarchy of the organisation. The analysis shows that Hypothesis # 1 stands true.

Hypothesis # 2 - Career advancement influences overall performance of employees.

Career advancement influences overall performance of employees by 23.4 percent if counseling of career development services and internal career advancements of the employees are to be facilitated by the management authorities of the organisation. The result shows that Hypothesis # 2 holds true.

Hypothesis # 3 – There is association between motivation programs and performance.

Motivation programs has association with performance by 22.5 percent in an organisation if educational benefits, recreational facilities, healthcare facilities are to be given by the management authorities of the organisation. The result shows that Hypothesis # 3 holds true.

Hypothesis # 4 - Communication channel affects the performance of employees.

Communication has strong impact on performance of the organisation by 31.6 percent if accurate, regular and timely communication is to be ensured by the organisation. This result shows that Hypothesis # 4 stands true.

Hypothesis # 5 - Policies and instruction have impact on performance of employees.

Policies and instructions of organisation have stron[g] impact on performance by 25.5 percent if rigid and fixe[d] policies made flexible, opinion of employees without fea[r] be ensured on the need of time through the employee involvement and participation. The result shows th[at] Hypothesis # 5 holds true.

DISCUSSION AND FINDINGS:

After getting interviews from respondents and analysis data, the following observations have been found -

Training -

1. **Training Need Assessment :** Before the traini[ng] assessment is important to design proper traini[ng] program. It is observed that there is lack of ne[ed] assessment before the training. Most of responde[nts] strongly disagreed and disagreed with the ne[ed] assessment before the training.

2. **Training Methods:** Training plays an important rol[e] enhancing the knowledge, skill and abilities [of] employees. The study denotes that 70 perc[ent] respondents have gone through the on the [job] training method.

3. **Guidelines and Supervision:** Time to time counse[l] and Guidelines helps to improve the performan[ce] employees. Half of the respondents agreed that [they] were getting the guidelines from their supervisor [time] to time.

4. **Adequate Training:** It is observed that there is la[ck] adequate training for the respondents to perform

because of short period training on various grades of employees. It was found that half of the respondents were not satisfied with the provision of adequate training to perform their task well.

5. **Training Program Well and Suitable:** It is observed that 35 percent the respondents agreed that the training programs are designed well and suitable whereas 30 percent respondents were neutral. So there is need to focus on designing training strategies.

Career Advancement -

6. **Career Development Services:** It has been observed that in cooperative sugar organisation provided the career development services. 35 percent respondents were strongly agreed and agreed with the organisation offers career development services.

7. **Career Counseling:** The career counseling helps employees to achieve the individual goals and enhance the performance which directly affected to the organizational performance. 45 percent of respondents were satisfied with the career counseling. It means that the cooperative sugar organisations provided the career counseling to the employees.

8. **Internal Career Advancement:** Internal career advancement helps employees to motivate and maintain their performance towards the goal achievement. It is observed that 34 percent respondents are satisfied with the internal career advancement.

9. **Design of Career Development Program:** The proper design of career development program motivated to do well to employees and enhance the performance. From the study it is found that 39 percent of respondents were satisfied with the design of career development program and 37 percent respondents thinks that career development programs are goal achievement oriented.

Motivation -

10. **Reward System:** Monetary and non monetary rewards always motivated employees for better performance. It is observed that only non monitory rewards were given to the employees. Also the study elicit that 46 percent respondents were agreed and strongly agreed that the organisation offers merit raises reward system. It means that the organisation provided the rewards for the better work and performance which act as boost to motivate to employee.

11. **Welfare and Recreational:** It has found that 45 percent respondents were agreed and strongly agreed that organisation encourage employees by offering welfare and recreational programs such as Child Scholarship, family healthcare, canteen, transportation etc. It has been also observed that child scholarships are not sufficient which are being provided to the employees. Only specific education program the scholarship is provided to the children of employees who are studying in engineering diploma or degree.

12. **Safety and Security:** The attention on Safety and Security of employees reduces the sickness and accidental percentage which increase the productivity and minimize the cost. Most of respondents are satisfied with the safety and security provided by organisation. 48 percent respondents were agreed and strongly agreed with the organisation pays an attention on employee safety, health and security. It means the cooperative sugar industry provided the attention on employees' safety and security.

13. **Adequate Time Off:** The adequate time off provide the space to the employees for their personal work and also to keep them fresh. The study elicits that leave facility including the vacation time, sick time whenever employees require that is provided regularly by the organisation which definitely enhance the better performance. 36 percent respondents were agreed with organisation provides adequate time off for employees. It means the Cooperative Sugar Industry provides the adequate time off to their employees.

14. **Transparency in Motivation:** Transparency in any program or activity keeps the clarity in employees which help to develop the team and motivated to better performance. It is found that the majority of respondents were satisfied with the transparency in motivation. 42 percent respondents were agreed with the organisation keeps the transparency in motivation programs.

Communication -

15. **Clear and Consistent Communication:** Communication process has a great importance in any organisation in order to perform duties more effectively. Clear and consistent communication enhances the performance of employees. It is observed that 44 percent respondents agreed that the organisation communicates a clear, consistent vision and mission to employees.

16. **Regular Communication:** It has been observed that a there is ambiguity in employees regarding the regular communication. 38 percent respondents were disagreeing where as 37 percent respondents were agreed with the regular communication done by the management authorities in order to get the job done from the employees.

17. **Willingness to Listen from Employees:** It has been found that in cooperative sugar industry, willing to listen from their subordinates is poor. The study elicits that 39 percent respondents were disagree, 37 respondents are agreed and 24 percent respondents were neutral.

18. **Accurate Timely Communication:** The message must be communicated in accurate shape to the employees so that output is received accordingly accurate and timely communication enhances the performance of the employees if it is conveyed properly. It is found that 41 percent respondents were agreeing that the organisation communicate information accurate and timely.

19. **Proper Channel of Communication:** Channel of communication in organisation is easy due to which most of the messages received in time especially a middle management level. Majority (46 percent) c respondents were satisfied with proper channel c communication.

Policies-

20. **Feedback Policy:** Feedback is an input to an organisation in order to improve the performance c employees. Regular monitoring of feedback polic provides satisfaction to the employees. The stuc indicates 45 percent respondents were agreed tha the organisation provides the opportunity provide th feedback.

21. **Opinion without Fear:** It has been observed tha employees are not inspired to give opinion on th lower floor which may be harmful to the organisatic in future.

22. **Policy Design and Administrated Well:** The prop design and administration of employee relate policies create smooth and regular working conditic which improves the overall performance of th organisation. Most of the respondents were hap| with the proper design and administration of th employee related policies.

Performance -

23. **Training:** Every organisation wants and tries to g maximum output from their employees. To get maximum output they arrange different types training programs. Training has a great impact performance of the workers if it is given to them wi modern training methods, on equal interval accordi to need, requirement and as per their designati which helps enhance the performance.

24. **Career Advancement:** Every employee thinks abc their career. The career advancement has a gre influence on employees. If the organisation assign t outsider person for career counseling, show t proper vision and realize the strength of employe the employees will encourage and improving t performance and retain themselves the organisatic

44 percent respondents think that organisation offers career advancement program helps to improve and retain the performance.

25. **Motivation:** The monetary and non monetary motivation play vital role in showing good performance. If the organisation offers the proper combination of financial and non financial motivation techniques to employees, they will prove better and show active participation in their work.

26. **Communication:** Accurate, clear and consistent communication from different authorities gives boost to the employees for showing good performance. If the organisation will be remove the gap and establish the proper link at each stage of employees will perform well and in time of the job which they have been tasked.

27. **Policies:** It has been found that half of the respondents were agreed with that policies and instructions have an effect on the performance of the employees. In organisation policies are being made at top level management and transferred to down level where the involvement and participation of employees is very less. If the management consider the senior employees view or representation of

LIMITATIONS and RECOMMENDATIONS:

Limitations -

The present study carried out in cooperative sugar industry. While carrying study number of restrictions faced including time limit, various standard procedures issued authorities and negative of support of respondents etc.

Recommendations -

1. Modern training methods and techniques play an important role in performing the tasks of employees. Due to variety of technology and changing environment of organisation, the combo application of on the job and off the job training should be conducted on regular basis to make the employee's involvement and participation more effective and better output.

2. Before the training there should be requirement of need analysis. There must be make a need analysis and adequate training as per grade should be provided to employees in order to enhance their technical ability.

3. There must be provision of career development services in different grade which are helpful for the promotion of employees. The management authorities should clear the internal career advancement which provides the goals to employees.

4. Motivation act as boost to perform well. There should be need of proper amalgamation of monetary and non-monetary motivation techniques which wrap most of employees.

5. There is provision of scholarship to only engineering students. There should be need to think about the talent of all type of category students and especi: different scholarshi; for the Girls which will encourage all employees and coat the social responsibility.

6. Regular communication should be ensured by the authorities in order to make the employees more active and participative. The authorities should be listening the genuine problems of the employees and take care. Communication channels should not be too lengthy and keep the proper bridge.

7. There should be focus of feedback policy. Higher authorities should encourage the employees for opinion without fear. The management authorities should take the regular feedback of employees in the organisation.

8. Proper training system has a great impact on t performance of employees which ultimately leads to active involvement and participation of employees in an organisation.

9. Comprehensive incentives and reward systems act as boost and play the crucial role in showing good performance, so more will be the incentives, best will be the performance.

10. Policies should be flexible, as policies and performance of employees have close relationship with each other.

CONCLUSION

Cooperative organisations play an important role in the growth and development of the rustic area. They are the main bone in economic development of rural region. Cooperative sugar organisations have not become very professional in their management approach as compared to private organisations. Apart from this many organisations have excellent performance track records and have managed to achieve desired results. However modern HR practices are neglected and management of cooperative sugar organisations failed to understand the strategic role of employee involvement and its importance in global business environment. Thus HR functions needs a fresh restoring so that employees inefficiencies and redundancy if any can be removed and improve the efficiencies of the organisations to the fullest extent. To maintain the performance and survive in the era of globalization cooperative organisation must involve and participate their employees in various tasks which create the genuineness and build up strong relationship with the organisation.

REFERENCES:

1. Bacal and Associates (1999). Why Ratings Based Appraisals Fail. Unknown. www.perform.8m.com.

2. Barney, J.B. 1991. "Firm resources and sustained competitive advantage, Journal of Management", vol. 1, pp. 99–120.

3. Becker, B. and Gerhart, B. (1996), 'the impact of human resource management on organizational performance: progress and prospects', Academy of Management Journal, Vol 39 (4), pp. 779-801.

4. Brown, Metz (2009). Irreconcilable differences? Strategic HRM and employee wellbeing, Asia pacific Journal of human resources, vol.47, no. 3, 270-294.

5. Dr. Matt Grawitch (2002), "Optimize your resource allocation in Good company blog".

6. G.S. Kamat., "Management of Cooperative Sugar Factories in Maharashtra," Maharashtra Rajya Sahakari Sangh, Mumbai, India Printing Works, page 1-189

7. Gollan, P. (2005) 'Representative Voice – The Interf between non-union and union representat arrangements at Eurotunnel', Advances in Indus and Labor Relations, 14, Greenwich Conn.: JAI Pres

8. Goode, W. and P. Hatt. (1952). Method in Sc Research. Mc Graw Hill Book Co., New York: 133, 21

9. Husiled, M.A. (1995) "the impact of HRM practice turnover, productivity, and Corporate finar performance", Academy of Management journal 635-72.

10. Koh, J., and Lee, M. 2001, 'Is empowerment rea new concept? The international Journal of Hu Resource Management. Volume: 12, Issue: 4, F 684-695.

11. Marchington, M., Goodman, J., Wilkinson, A. Ackers, P. (1992), New Developments in Emp Involvement, Employment Department Res Paper, Series No 2.

12. Murgolo-Poore, M., Pitt, L., Berthon, P., Prendegast, G. (2003, June). Corporate intelli dissemination as a consequence of int effectiveness: An empirical study. Public Re Review, 29(2), 171-184

13. Nick N, Jack IS, Warren RN, Barbara W (Empowerment in organisations., 2(3): 45-55

14. Peter Davis, "Managing the Cooperative Differe survey of the Application of Modern Manag Practices in the Cooperative Context," ISBN 111582-8, ILO, Geneva, Published 1999.

15. Richie and Miles, (1992). Productive Perfo Appraisals. New York, NY:AMACOM

16. Wood S (1999). 'Human Resource Managem Performance'. International Journal of Mana Reviews 1: 4 367-413

WEB REFERENCES

17. http://apj.sagepub.com/content/22/4/16 abs

18. http://www. Google.com
http://www. Performance measurement. net/news_detail

Annexure 2: Publication Details – Conferences Proceedings

❖ **Proceedings:**

➤ **International Conference:**

1) "Information Technology Led to Global Transformation", Global Transformation Challenges and Opportunities, Jan. 2018, Page No. 71-76, ISBN:978-93-5291-571-2.

2) "Digital India: Initiative and Future Need", Recent Trends In Commerce & Management, Page No. 110-113, Vol. I, Feb. 2017, ISBN: 978-93-24457-16.

3) "Skill Development and India: Need of Tomorrow", Recent Trends In Commerce & Management, Page No. 101-106, Vol. II, Feb. 2017, ISBN: 978-93-24457-16.

4) "Organization's Interventions to Work Life Balance", Transforming World Economy, Page 238-243, February 2012, ISBN: 978-93-5062-004-5.

5) Modern Technology: For Growth & Sustain, Management & Technology, October 2012, Page 54-58, ISBN: 978-95-9031-329-5.

6) "New Avenues & Challenges in Indian Pharmaceutical Industry", Managing the New World Order, Excel Books, Page 125-133, January 2010, ISBN: 978-81-7466-815-4.

➤ **National Conference:**

1) "Cashless Economy: A Reality and Challenges", World Economic Turmoil Challenges and Opportunities for India, Jan. 2017, Page No. 65-68, ISBN: 978-81-922746-6-9.

2) Future Growth of E-Commerce In India", E-Commerce- Issues Trends & Opportunities, Page No.69-77, Feb. 2017, ISBN: 978-81-923768-5-1.

3) "Make In India: Challenges and Opportunities", World Economic Turmoil Challenges and Opportunities for India, Jan. 2017, Page No. 93-97, ISBN: 978-81-922746-6-9.

4) "Rural Education Need To Rethinking", Innovative Strategies In Teaching Learning Process, Aug. 2016, Page No. 99-104, ISBN: 978-81-932117-5-5.

5) "ICT New mode to Improve Performance of Education", Innovative Strategies In Teaching Learning Process, Aug. 2016, Page No. 36-44, ISBN: 978-81-932117-5-5.

6) "HRD: Role of Knowledge & Talent Management", Industry-Institute Partnership, Feb. 2016, Page No. 146-150, ISBN: 978-81-922746-5-2.

7) "Rural Consumer and Satisfaction With Regard Food & Beverages", BVCON 15, March 2015, Page 270-276, ISBN: 978-81-906732-6-6.

8) "Indian FMCG Sector: Growing Trends & Booming Opportunities", NATCON BLAZE, Page 67-73, March 2011, ISBN: 978-93-5024-906-2.

9) "Knowledge Management in Knowledge Economy – An Emerging Perspective", IT Innovations For Organization Excellence, Page 384-392, Excel Books, Sept. 2009,

ISBN: 978-81-7446-759-1.

10) "Computerized Business Expert System: An Innovative Practice", Information & Communication Technologies Enhancing Business Competencies Through Innovative Practices, Page 205-210, September 2011, ISBN: 978-93-8136-129-0.

11) "Natural Resource Aspects of Sustainable Development", BVCON 07, December 2007.

Pimpri Chinchwad Education Trust's
S. B. Patil Institute of Management

Fifth National Conference on
'WORLD ECONOMIC TURMOIL– CHALLENGES AND OPPORTUNITIES FOR INDIA'

13th & 14th January, 2017

CONFERENCE PROCEEDINGS

In association with
SAVITRIBAI PHULE PUNE UNIVERSITY
Under QIP Programme of B.C.U.D.

Chairman
Fifth National Conference
Dr. Daniel Penkar
Director, SBPIM

Chief Convener
Fifth National Conference
Dr. Hansraj Thorat
Professor & Head Research, SBPIM

Convener
Fifth National Conference
Dr. Kirti Dharwadkar
Professor & Dean, SBPIM

Contents

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 progamme 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 even 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
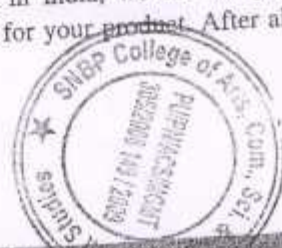
buyer is equally important as cost effective manufacturing," Modi told a packed audience. With the launch of "Make in India", a ray of hope for the upliftment of the performance of this sector is slowly emerging. The campaign has started showing its positive colours with various steps taken to encourage 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: Opportunit 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 24×7 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".

(94)
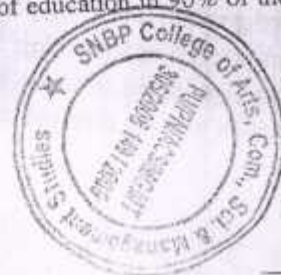
> **Ease of Doing Business:** Ease of doing business is the major obstacle to the growth of the manufacturing sector. The World Bank's "Ease of doing Business 2015" report has ranked India at 142nd out of 189 countries for its ease of doing business. The "ease of doing business" covers ease in starting 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 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 want transform itself into a high-income economy. We cannot rely on services alone to fulfill this ambition. At me 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.

REFERENCES:

Bhagowaty, G. (n.d.). How can the new Government make India a Global Manufacturing hub? Crisil Young Thought Leaders-MDI, Gurgaon. Retrieved from.pdf

Bhattacharya, A., Bruce, A., and Mukherjee, A. (2014, Nov.). Make in India: Turning Vision Into Reality. The Bosto Consulting Group-CII 13th Manufacturing Summit 2014. Retrieved fromhttp://www.bcgindia.com/documents/file176705.pdf

Chattopadhyay, A. (2015, May 15). For 'Make in India' to Happen, Modi Govt. Must Move from Cheap Rhetoric to Difficult Action.The Economic Times.Retrieved from http://articles.economictimes.indiatimes.com/2015-0

Datta, R.C., and Milly, S. (2007). Contemporary Issues on Labour Law Reform in India: An Overview. Atlmn Discussion Paper.Tata Institute of Social Sciences, Mumbai. Retrieved fromhttp://skillingindia.com/pdf/Contempora Issue on Labour Law .pdf

Doing Business in India.(2015, June).Nishith Desai Associates.Retrieved from http://www.nishithdesai.com/fileadmin/user_upload/pdfs/Research%20Papers/Doing_Business_in_India.pdf

Ease of Doing Business in India.(2014, May).CII-KPMG.Retrieved from https://www.kpmg.com/IN/en/IssuesAndInsights/ArticlesPublications/Documents/KP MG-CII-Ease-of-doing-business-in-India.pdf.

EY's Attractiveness Survey India 2015: Ready, Set, Grow. (2015). Retrieved from http://www.ey.com/Publication/vwLUAssets/ey-attractiveness-survey-india-2015/.pdf

Francis, S. (2015, May). India's Manufacturing Sector Export Performance; A Focus on Missing Domestic Inter-sectoral Linkages. Institute for Studies in Industrial Development, New Delhi. Retrieved fromhttp://www.isid.org.in/pdf/WP182.pdf.

apta, H., Kapoor, T. and Asudani, J. (2015) '[Un]ease of Doing Business in India – A Review of Major Pain Points and Possible Lessons', CIRC Working Paper No.12. Retrieved from http://circ.in/pdf/Doing-Business-in-India.pdf

India Investment Climate Statement 2015.(n.d.).Department of State USA. Retrieved from http://mays.tamu.edu/center-for-international-business-studies/India-Investment-Climate-Statement-2015.pdf

Joumard, I., Sila, U., and Morgavi, H. (2015). Challenges and Opportunities of India's Manufacturing Sector.OECD Economics Department Working Papers, No. 1183, OECD Publishing.Retrieved fromhttp://dx.doi.org/10.1787/5js7t9q14m0q-en

Madgavkar, A., Dobbs, R., and Mohan, R. (2012, June 14). India Must Change the Game in Education Altogether, to Let India's Young Bridge the World's Skill Deficit. The Economic Times.Retrieved from http://articles.economictimes.indiatimes.com/2012-06.

Make In India: Opportunities and Challenges. (2015, Feb.).Deloitte.Retrieved from https://www.mof.go.jp/pri/international_exchange/kouryu/fy2014/ncaer201502-9.pdf

'Make in India'- Pressing the Pedal. (2015, May).Economics Knowledge Banking, Yes Bank. Assocham India.Retrieved fromhttp://www.assocham.org/userfiles/YES_BANK_-_ASSOCHAM_Knowledge_Report_-_Make_in_India_-_Presing_the_Pedal.pdf.

n, R., and Vishnoi, A. (2014, Dec. 30). Help wanted: "Make in India" drive lacks skilled labour. Retrieved from http://in.reuters.com/article/india-workersid INKBN0K71E42014.

CD. (2014). OECD Economic Surveys: India 2014. OECD Publishing. Retrieved from http://dx.doi .rg/10.1787/eco_surveys-ind-2014-en

Shah, S. (2013, May 31). Poor Indian Industry performance – Is Manufacturing Industry To Blame.Green World Investor. Retrieved from http://www.greenworldinvestor.com/ 2013/05/31/poor-indian-industry-performanceis-manufacturing-industry-to-blame/

Skill Development in India: The Vocational Education and Training System. (2006, Jan).The World Bank: Human Development Unit South Asia Region Document of The World Bank. Retrieved from http://info.worldbank.org/etools/docs/library/235724/skills development/education/training/system.pdf

The Manufacturing Plan.Planning Commission Government of India. Retrieved from http://planningcommission.gov.in/aboutus/committee/strgrp12/str_manu0304.pdf

Top 10 Challenges of Doing Business in Asia Pacific. TMF Group. Retrieved from http://www.tmf-group.com/en/media-centre/resources/top-challenges/apac/india.

***

Pimpri Chinchwad Education Trust's
S. B. Patil Institute of Management

Fifth National Conference on
'WORLD ECONOMIC TURMOIL– CHALLENGES AND OPPORTUNITIES FOR INDIA'

13th & 14th January, 2017

CONFERENCE PROCEEDINGS

In association with
SAVITRIBAI PHULE PUNE UNIVERSITY
Under QIP Programme of B.C.U.D.

Chairman
Fifth National Conference
Dr. Daniel Penkar
Director, SBPIM

Chief Convener
Fifth National Conference
Dr. Hansraj Thorat
Professor & Head Research, SBPIM

Convener
Fifth National Conference
Dr. Kirti Dharwadkar
Professor & Dean, SBPIM

Contents

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 flooding 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.

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, distribut 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 fr 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 RS Sharma said at an event WiFi in India, "and we said it will be an online infrastructure and identity. People said you are 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.

yment 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 sent, there isn't sufficient capacity for the escalation in usage if everyone starts transacting digitally. More portantly, 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; indict 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 l   infrastructure like internet access and Power make things extremely difficult for people to adopt e-transaction rout

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.

REFERENCES:

Alesha Shah, Vibha Kaushik (2016), "Digital Payment System 2020", The Boston Consulting Group, July 2016.

Cashless Economy-Economic growth and development, www.insightsonindia.com

Cashless India - Challenges and Benefits – Livemint.htm, News/Industry/19 December 2016/ E-Paper, http://www.livemint.com

Navroze Dastur (2016), "Cashless Indian Economy - A Reality" - News/Banking/Business News.htm, December 16, 2016, http://www.businesstoday.com

Nikhil Pahwa (2016), "Cash vs Digital Money: why going cashless is going to be tough in India," November 29, 2016, http://www.medianama.com/tag/ecommerce.

Shinjini Kumar, Gaurav Chopra (2015), "Disrupting cash-Accelerating electronic payments in India", www.pwc.in

Shubhashis Gangopadhyay (2012), "A Cashless India", Business Standards, Vol. XVII, No. 30 Mumbai/Weekend, 15 September 2012, Opinion, Page No. 11.

Tushar Seth (2016), "Essay on the Role of Banks in Economic Development", articles/published, November 2016, http://www.economicsdiscussion.net

Internal Quality Assurance Cell (IQAC)

NAAC Sponsored
National Level Seminar

On

" Innovative Strategies in Teaching, Learning Process"

26th and 27th August, 2016

PROCEEDING

• Organized by •

Rayat Shikshan Sanstha's

R. B. NARAYANRAO BORAWAKE COLLEGE, SHRIRAMPUR

RURAL EDUCATION: NEED TO RETHINKING

Umeshwari P. Patil, Sudhir A. Atwadkar

SNBP College of Arts Commerce Science & Management Studies, Pune

E-mail: sudhir.atwadkar@gmail.com

Abstract:

After 70 years of independence, 'The real India live in villages', this saying is as true today. As more than half of the population of the country lives in villages, rural development is an eminent factor for the development of our economy. The crucial motivating factor for the development of the economy in today's time is Education. Like in the body of human being liver is responsible for the proper functioning of the body, in the same way education acts a backbone for the economy. To explore this significant role of education in India especially in rural India, this article explicates present situation of rural education, and problems being faced by the rural education.

Key Word: Rural, Education, Economy, Development.

1) Introduction:

The World Bank has defined Rural Development "as a strategy designed to improve the economic and social life of a specific group of people- the rural poor." Half of the population in India lives in the villages. The contribution of rural India towards the economic development is not hidden from any of us. Earlier the people used to correlate rural development with agricultural development and thus focus was only on the increased agricultural production. But with the changing time, this misbelieve has also changed. Today the concept of rural development is fundamentally different that it was used to be 2 or 3 decades ago. The continuous growth of the Indian economy forces the Indian government to accelerate the process of developing all the branches of the Indian education system. As more than half of the population in India lives in villages, therefore the education system in rural area also plays a significant contribution in the growth of the economy. Education has a desirable controlling influence over development of the rural individual, family, community and society that leads to reduced poverty and controlled unemployment. Functions of education include imparting social change, making rural people aware about their rights, improving individual standard of living, providing employment and income opportunities to rural people and so on. The present system of education in India was introduced by the British in the 20th century. The central government through the Ministry of Human Resource Development's Department of Education and the governments at the states formulated the education policy and planning.

2) Present Scenario:

Right to Education is the primary right of every citizen of India, whether a child resides in a high profile society or in a far away not so developed secluded village. In India, condition of rural education is still improving, the conditions of these rural schools is still very poor. There are very few schools in the rural areas and children have to travel far away distances to avail these facilities and most schools in these locations do not provide drinking water Schools in rural areas are promoted to raise the level of education and literacy in rural India. The main aim of running these types of schools in India is to increase the rates of

literacy in rural areas. More than 40 percent of India's population is illiterate and cannot read or write. And schools in rural areas are inadequate and often equivalent to being non-existent. Thus, government's initiative to set up schools in rural areas came into picture. According to Just Indian Schools the conditions of rural education in India, is improving steadily and the government is also providing full support and providing with many initiatives. The fee structure in these schools is also very low so that every child can study and afford it. Children have to walk miles to reach their school. Rural schools pay special attention to children in these locations so that each child gets an equal and important opportunity. They promote reading and writing and enhanced basic education. These schools also provide study material to every student apart from, meals during school hours, uniforms etc. Rural village schools also have implemented library system, which provide books, newspapers and magazine to children. They not only provide science kits and equipment for hands-on-learning, but also notebooks, textbooks and pencils to poor children. Apart from that they also give scholarships to deserving students regularly, who wish to study ahead. They create community awareness, about the need for education and world literacy. Many indirect benefits of a basic rural education include poverty reduction, disease control, enhanced employment opportunities and increasing rate of literacy. Individual's special talents are recognized. The teaching methodology ensures that each and every student is exposed to educational experience in an active and dynamic learning environment, so that they can achieve excellence. Teachers also encourage every student to express their views, observations and experiences. The main objectives of rural school's are to ensure that every child in rural India receives quality education which prepares them to compete in the competitive global environment. The objectives of Rural education is facilitate - free standard education to rural children, supporting children for higher education, guiding and supporting research scholars in Educational Development, awareness withnew teaching methodologies and assessment system, promoting all schools to stress free environment.

The comparison of rural education with urban indicates that there are many schools in cities and towns whereas; there are very few schools in villages and the rural areas. The transportation facilities like bus pick in urban schools where as children in rural areas have to walk miles to reach their schools. Basic amenities like no drinking water in provided in some of the schools in villages. Level of education in urban schools is far advanced as compared to the basic level taught in rural schools. Modern technologies like Computer is given high importance in urban areas where as very few schools in villages give computer training. School education in urban areas is more advanced especially since there is a lot of computer aided teaching

Apart from the course curriculum rural schools are not able to involve children in other activities like sports, co-curricular activities and competitions. Such events and activities tend help in the overall development of the children

3) Problems In Rural Education:

India is developing rapidly and many initiatives had been taken for the development of rural India, still much more have to be done. There are several problems being faced by the schools running in rural India. Some of these problems are stated below.

- **Lack of Infrastructure**: Many schools in villages lack proper infrastructure facilities. There are no proper facilities for sitting as sometimes children are even made to sit on the

floor due to non-availability of furniture. The school building lacks doors and windows, and so the wind and animals enter unimpeded.

- **Low Income:** Teachers in the villages also get very less income in comparison to the teachers that teach in urban schools. As teachers are not satisfied with their income, they generally do not give proper attention to the students.
- **Lack of Transportation Facilities:** This is one of the biggest problems being faced by the children going to village schools. As there are no proper transport facilities available children don't like to travel miles to come to school.
- **Less in Number:** In comparison to the number of schools present in urban area i.e., cities or towns, there are very few schools in villages or rural areas.
- **Lack of Basic Amenities:** Even the basic amenities like drinking water, clean toilets etc are also not available in many of the schools at villages.
- **Lack of Extra-Curricular Activities:** Apart from the course curriculum rural schools are not able to involve children in other activities like sports, co-curricular activities and competitions. Such events and activities tend help in the overall development of the children.

4) Need based ICT Education in Rural Areas:

Due to various developmental activities in education department, rural schools have improving its infrastructure facilities. But the development is not uniformly in all rural areas; still many areas are neglected from even basic infrastructure facilities. Though, governments are providing CT facilities to rural schools. Many of them are not working properly. The reasons such as, lack of accessibilities of the

Facilities by the beneficiaries, beyond the level knowledge of users and not full fill their needs or beyond their level of needs. Thus, whenever implement the ICTs related programmers in the rural areas, should be assess local conditions and priorities needs of rural students. Before provide knowledge through computer related technologies, should have to create knowledge on Coeducation and its usage to the rural school students. Due to their lack of awareness in the field of ICTs, rural students are not paid interest in the computer based education, some of them initially paid their interest later they are not follow, this because majority of rural ICT related programmer failure even in initial period.

5) Initiative Taken By Government:

For promoting the importance of education in India, Ministry of Law and Justice had introduced 'The Right of Children to Free and Compulsory Education Act, 2009'. It is an Act introduced to provide free and compulsory education to all children between the ages of six to fourteen years.

- **Lok Jumbish Project:** The Lok Jumbish (LJ) project has 75 blocks covering approximately 12 million of population. LJ works hand in hand with government agencies, teachers, NGOs, elected representatives and the people in an interactive group effort to promote universalization of primary education. It works on seven guiding principles. These are:
  - ✓ A process rather than a product approach.
  - ✓ Partnerships.
  - ✓ Decentralized functioning.

✓ Participatory learning.

- **Shiksha Karmi Project:** The Shiksha Karmi Project (SKP) is being implemented since 1987, with assistance from the Swedish International Development Cooperation Agency (SIDA). It aims universalisation and qualitative improvement of primary education in the backward and remote villages of Rajasthan, with special focus on girls. SKP has set up the Village Education Committees (VECs) in 2000 villages to promote community involvement in primary education and encourage village level planning. For girl's education, Angan Pathshalas are being run in three blocks. The programme at present covers over 150,000 students in 1,785 schools and 3,250 Prehar Pathshalas , involving over 4,271 Shiksha Karmis.

- **Sarva Siksha Abhiyan (SSA):** The main goal of this program is that all children of 6-11 years of age should complete primary education by the year 2007 and all children of 6-14 years of age should complete eight years of schooling by 2010. This plan covers the whole country with special emphasis on girl education and education of Schedule Caste (SC) and Schedule Tribe (ST) children and children with special needs. The SSA centers are mainly opened in those areas, which do not have any school or where schools are very far off. Special girl oriented programs include: Girl education at elementary level. National Program for Education of Girls at Elementary Level.

- **District Primary Education Program:** This program was launched in 1994 with the objective of universalization of primary education. Its main features are Universal Access, Universal Retention and Universal Achievement. It aims that the primary education should be accessible to each and every child of school going age.

    ✓ Opening of non-formal schooling centers
    ✓ Setting up early childhood education centers.
    ✓ Appointment of teachers.
    ✓ Providing education to disabled children.

The program has been successful to the large extent as 1,60,000 schools and 84,000 alternative schools have been opened under this program. And work is going on for the construction of new buildings of 52,758 schools. 4,20,203 disabled students have been successfully enrolled into the schools.

- **National Programme of Nutritional Support to Primary Education (School Meal Programme):** This programme was launched on 15th August 1995 with a view to increase enrolment, retention and attendance in primary schools by augmenting nutritional meal to children. Under this scheme children attending the school are given free cooked meal of 100gms every day and positive results have gained with this scheme.

6) Proposed Model For ICT Education:

In the proposed model we have considered all these points and for technical connection we are using RKM (Rural Kiosk Machine) which will provide physical communication between the ICT - RDD (Rural Development Department) and Rural Community

- **Rural Community Center:** Rural Community Centre is the central component which consists of Rural Kiosk Machine (RKM) and ICT-Training Centre (ICT-TC). Rural school building will act as a Rural Community Centre which will hold RKM and facilitate the

people for 24 hours. The same building will also work as ICT-TC for discussion and trainings in the evening timings for the rural community.

- **Rural Kiosk Machine:** Rural Kiosk Machine will contain the information in local languages. Most of the Indian peoples speak Hindi (Devnagari) language as an official language. English is rarely been spoken in rural areas. That's why there is a need for such a kiosk which can present information in Hindi as well as in Regional languages.

- **ICT- Training Centers (ICT-TC):** ICT-RDD department will responsible for providing basic education for use of RKM for each faction of rural area by establishing ICT-Training Centre at each school in every village even though it is very small. If school is not available in the village then RKM should be placed at well known secured central place of the village.

7) For Improving Rural Education:

Some of the suggestions that can be adopted for improving the education system in rural:

✓ The curriculum of rural education can be updated and should accompany education related to farming, gardening etc.

✓ To attract more number of students and creating enthusiasm in them for learning, visual aids like projectors, television etc. can be used to show some educational movies.

✓ To motivate the teachers they should be made to feel proud that by teaching in the rural or remote area they are acting as a helping hand in the development of rural or remote area economy.

✓ Some special sessions or classes can be conducted for the parents to make them realizethe significance of education for their children.

8) Conclusion:

The development of any country depends fully on the education of its people. Basic education is viewed worldwide as human right. For this reason 'The Right of Children to Free Compulsory Education Act, 2009 came into picture. All educational innovations require strong community support and participation. 'People's acceptance and participation' can be used as an indicator for measuring the progress of the various programmes.

Reference:
1. Blackwell, Oxford, Bray, (2004) 'The Costs and Financing of Education: Trends and Policy Implications', Education in Developing Asia Vol.3, Asian Development Bank, Manila.
2. Chavan, M. (2006), 'On a New Slate: Quality education, not just Education for all, is what is required in India.' India Today, 21August, pp. 76–80.
3. Clarke, P. and J. Jha (2006), 'Rajasthan's Experience in Improving Service Delivery in Education,' in Chand, V.K. (ed.) Reinventing Public Service Delivery in India. Sage, New Delhi.
4. Cremin, Lawrence (1976), 'Toward an Ecology of Education, Excerpt from Public Education', John Dewey Society, Pub:USIS, New Delhi.
5. Dharampal (1983), 'The Beautiful Tree: Indigenous Indian Education in the Eighteenth Century', Biblialmpex, Pvt. Ltd. New Delhi.
6. Di Bona (1983), 'One Teacher, One School', Adam's Reports, BibliaImpex, Pvt. Ltd.
7. Gandhi, M.K. (1995), 'India of my Dreams', Navajivan Publishing House.
8. Iyer, R. N. (1995), 'The Essential Writings of Mahatma Gandhi', Navajivan Publishing House.

9   Joshi, P.C.(1992), 'Cultural Communication and Social Change', Vikas Publishing House, New Delhi.

10 Paul Samuel, Suresh Balakrishnan, Gopakumar K. Tampi, SitaSekhar,& M. Vivekananda (2006), 'Who Benefits from India's Public Services: A People's Audit of Five Basic Services', Academic Foundation and Public Affairs Centre, Bangalore.

11 Pratham (2006), 'Provisional Annual Status of Education Report', 2005, Pratham Resource Centre, Delhi.

12 Shah, S. and M. Rani (2003), 'Worlds apart: Why are Kerala and Uttar Pràdesh so different in their Human Development outcomes? Back ground paper for the World Development Report, 2004.

NATIONAL CONFERENCE

Under QIP - SPPU, Pune.

KAMALA
Education Society

" E-COMMERCE: ISSUES, TRENDS, & OPPORTUNITIES WITH SPECIAL REFERENCE TO MAKE IN INDIA"

17th & 18th Febuary 2017

Kamla Education Society's

PRATIBHA INSTITUTE OF BUSINESS MANAGEMENT

Chinchwad, Pune - 411 019.
E-mail : conference.pibm@pratibhagroup.org.in

TABLE OF CONTENTS

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

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 mere 100 million which is much less when compared to its penetration in the US or UK but it's still

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 gettinggreat 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 became 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 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 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:

Opportunity For Retailers: A retailer can save his existence by linking hisbusiness 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.

Opportunity For Whole Sellers & Distributer: In the world ofEcommerce 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 bylinking themselves with on-line, by giving better information about their products to the other links the business chain and by a 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, Starcj.com, Amazon.com,

ashionandyou.com, Rediffshopping.com, inkfruit.com, myntra.com, futurebazaar.com, ebhi.com, zoomin.com and hushbabies.com.

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

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

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

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

The online retail segment is expected to report strong growth in the coming years g to growing Internet consumer base thanks to increasing use of smartphones, ps/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 two ee years and this industry will require talent from various sectors like product, analytics, sourcing, general management talent, merchandising and ting," online retailer Fashionandyou.com co-founder and CEO Pearl Uppal.

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

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

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.

References:

1) Bansal, Rashmi, "Growth of the Electronic Commerce in China and India: A Comparative Study."

2) Dubey Rahul, "E-Commerce poised for a leap in 2012".

3) Emmanuel Lallana, Rudy Quimbo, Zorayda Ruth Andam, "ePrimer: An Introduction to eCommerce", 2000, 2.

4) Ernest A. Capozzoli, Thomas K. Pritchett, "E Commerce: A Conceptual framework". Journal of Asia-Pacific Business.

5) Kaur Pradeep, Dr. Joshi Mukesh, "E-Commerce in India: A Review", IJCST Vo 1. 3, issue 1, 2012.

6) Kaur, Ramneet, "E-Commerce in India", Asian journal of research in business economics and management, vol. 2, issue 6, 2012.

7) MK, Euro Info Correspondence Centre (Belgrade, Serbia), "E-commerce-Factor of Economic Growth."

8) Rosen, Anita, "The E-commerce Question and Answer Book" (USA: American Management Association, 2000), 5.

9) Sharma Shweta, Mittal, Sugandha, "Prospects of E-Commerce in India".

Websites

1) www.business.com

2) www.e-commerce guide.com

3) www.e-commerce times.com

4) www.forrester.com

5) www.iamai.in

Information and Communication Technologies
Enhancing Business Competencies through Innovative Practices

Editors

Kapil Arora • Yogeshwari Phatak • Bhavna Sharma • Deepak Jaroliya

Sept. 2011

Computerized Business Expert System: An Innovative Practice

Reshma T. Nathani*
Sudhir A. Atwadkar**

An expert system is software that uses a knowledge base of human expertise for problem solving or to clarify uncertainties, where normally one or more human experts would need to be consulted. Industrial processes, data networks, and many other systems change their state and even their structure over time. Real time expert systems are designed to reason over time and change conclusions as the monitored system changes. Many large corporations use expert systems in their business. The list of the companies using expert systems technology is long and varied, includes NASA, HP, Lockheed, Boing, DaimlerChrysler AG etc. Expert systems, as one of the most important class of so called "intelligent" computer programs, are now-a-days included in all aspects of doing business. They represent such software products that are based on human expertise and experience of experts, and emulate their reasoning and acting in certain problem environment. Among numerous advantages, expert systems provide faster decisions on a higher level of quality, shorten a time for taking actions and can gather and unify knowledge of multiply experts from different areas of interest. This paper presents an expert system for business enhancement as an innovative practice.

Keywords: Expert System, Artificial Intelligence, Process Scheduling, Modules, Rules.

INTRODUCTION

Many large corporations use Expert Systems (ES) in business. The list of the companies using ES technology is long and varied that includes NASA, HP, Lockheed, Boing, DaimlerChrysler AG, various power, gas and oil stations, etc. ES tend to be more effective than other computer based applications, because it combines the knowledge of many experts in a specific field, store s an unlimited amount of information, works much faster than a human, are available 24 hours a day, can be used at a large distance over a network and are able to explain their information requests and suggestions. Expert systems can also process client's uncertain responses and, by combining several pieces of uncertain information, may still be able to make strong recommendations. They can accumulate the knowledge of high level employees for any company, which is especially useful when the company needs to fire them due to worsened market conditions

* Facutly, Alard Institute of Management and Sciences, Pune
** Faculty, Institute of Business Management and Research, Pune

The principal distinction between expert systems and traditional problem solving programs is the way in which the problem related expertise is coded. In traditional applications, problem-related expertise is encoded in both program and data structures. In the expert system approach, all of the problem expertise is encoded mostly in data structures.

In an example related to tax advice, the traditional approach has data structures that described the taxpayer and tax tables, and a program that contains rules (encoding expert knowledge) that related information about the taxpayer to tax table choices. In contrast, in the expert system approach, the latter information is also encoded in data structures. The collective data structures are called the knowledge base. The program (inference engine) of an expert system is relatively independent of the problem domain (taxes) and processes the rules without regard to the problem area they describe.

THIS ORGANIZATION HAS SEVERAL BENEFITS

- New rules can be added to the knowledge base or altered without needing to rebuild the program. This allows changes to be made rapidly to a system (e.g., after it has been shipped to its customers, to accommodate very recent changes in state or federal tax codes);
- Rules are arguably easier for (non-programmer) domain experts to create and modify than writing code. Commercial rule engines typically come with editors that allow rule creation/modification through a graphical user interface, which also performs actions such as consistency and redundancy checks.

Modern rule engines allow a hybrid approach: some allow rules to be "compiled" into a form that is more efficiently machine-executable. Also, for efficiency concerns, rule engines allow rules to be defined more expressively and concisely by allowing software developers to create functions in a traditional programming language such as Java, which can then be invoked from either the condition or the action of a rule. Such functions may incorporate domain-specific (but reusable) logic.

EXPERT SYSTEM FOR MARKETING AND TRADE MANAGEMENT

The ES is used to determine marketing potential and business opportunities. The Ward Systems Group, Inc came out with Artificial Intelligence (AI) Trilogy, a new package of business and scientific software. AI Trilogy contained the NeuroShell Predictor, NeuroShell Classifier, and GeneHunter software together in one package. The Data Mining Technologies Inc., provided several types of modeling services for developing marketing and trade management ES, including, prospect segmentation modeling, customer segmentation modeling, customer cloning, prospecting for new customers, finding high-value new customers and maximizing return from loyalty programs.

MarketResearch.com is the world's largest and continuously-updated collection of market research, with more than 200,000 reports from over 650 leading global publishers. Much of this was accomplished with the help of ES. Expert systems are also applied in banking and finance, forecasting, security, manufacturing, marketing, and many other business areas and industries. Specifically, areas such as loan applications, fraud detection, inventory management, enterprise resource planning, and supply chain management find useful applications of expert systems. Significant growth is expected for the foreseeable future.

APPLICATIONS AREAS OF EXPERT SYSTEM

Expert systems are designed to facilitate tasks in the fields of accounting, medicine, process control, financial service, production, human resources, among others. Typically, the problem area is complex enough and a more simple traditional algorithm cannot provide a proper solution. The foundation of a successful expert system depends on a series of technical procedures and development that may be designed by technicians and related experts. As such, expert systems do not typically provide a definitive answer, but provide probabilistic recommendations.

Another area of the application of expert systems in the financial field is expert systems for mortgages. Loan departments are interested in expert systems for mortgages because of the growing cost of labour, which makes the handling and acceptance of relatively small loans less profitable. They also see a possibility for standardised, efficient handling of mortgage loan by applying expert systems, appreciating that for the acceptance of mortgages there are hard and fast rules which do not always exist with other types of loans. Another common application in the financial area for expert systems are in trading recommendations in various marketplaces. These markets involve numerous variables and human emotions which may be impossible to deterministically characterize, thus expert systems based on the rules of thumb from experts and simulation data are used. Expert system of this type can range from ones providing regional retail recommendations, like Wishabi, to ones used to assist monetary decisions by financial institutions and governments.

Another 1970s and 1980s application of expert systems, which today would simply call AI, was in computer games. For example, the computer baseball games Earl Weaver Baseball and Tony La Russa Baseball, had highly detailed simulations of the game strategies of those two baseball managers. When a human played the game against the computer, the computer queried the Earl Weaver or Tony La Russa Expert System for a decision on what strategy to follow. Even those choices where some randomness was part of the natural system (such as when to throw a surprise pitch-out to try to trick a runner trying to steal a base) were decided based on probabilities supplied by Weaver or La Russa. It would be simply said that the game's AI provided the opposing manager's strategy.

The results of the introduction of the planning platform an ES deployed by Ibis, Inc, showed improvements in all key performance indicators as gross profit (GP) improved by an average of 8 percentage points. Return on Capital Employed improved by an average of

7 percentage points, customer satisfaction improved by an average of 15 percentage poi
labour productivity improved by an average of 16 percentage points, skills levels increa
by an average of 20 percentage points, rates of new product development increased by
average of 23 percentage points, there were improvements in overall rates of grow
significant improvements in cash flow, levels of employee satisfaction and reductions
rates of employee turnover.

COMPANY-SPECIFIC APPLICATIONS

Hitachi: Hitachi had developed 500 to 600 systems for customers. It had sold 4,000
of its ES/KERNEL Systems to approximately 1,000 customers. About 50 syst□ s ea
were in field. Test modes were completed and prototypes were under development.

Construction: One of Hitachi's most successful applications was a tunnel constructi
planning system, developed for Okamura Corp. (Harada, Igarashi et al. 1990). Use of th
ES had cut planning time in half, reduced variations in the plans due to personal facto
facilitated the preparation of alternative plans, and given inexperienced engineers t
capability to draft detailed construction plans. The system (which combined KP
relational databases, CAD and a reporting system) had been used on at least 20 projects.

Process Scheduling: Another highly successful system was for process scheduling
chemical plants. Use of the system had resulted in reducing the costs of raw materials ar
labor by billions of yen annually.

Initially, most of Hitachi's business applications were in banking insurance and financi
diagnostic systems. However, then the industrial clients requested scheduling system
Within the domain of planning and scheduling, job shop scheduling was the bigge
market, accounting for 40-50 percent of the business, followed by process scheduling.
Hitachi engineer worked with a customer to figure out how to do a planning applicatio
on ES/KERNEL after the customer had failed using a competitor's shell. Initially
scheduling job took 17 hours, but eventually it was reduced to five minutes of wo□ atio
time. The system had saved 7 billion Yen. Hitachi was familiar enough with schedulin
problems to divide them into four classes, each with its own solution technique. So fa
Hitachi was doing most of the planning applications for customers, but then it began t
introducing courses so that customers could learn to do those tasks themselves.

TOSHIBA: Approximately 500 expert systems had been developed at Toshiba for botl
internal and external use, with about 10 percent in routine use. Design an
planning/scheduling were the major growth application areas. Within design, the prin
tasks were LSI and PCB design.

Paper Production: The most successful expert system was a paper production scheduling
system for the Tomakomai mill of Ohji Paper Co., Ltd. The system used 25 kinds of pulp
which were combined in 10 papermaking machines to produce 200 different pape
products. There were hundreds of constraints to be satisfied. The system employed a top
down hierarchical scheduling strategy, starting with scheduling product groups, the
individual products, and then line balancing. This application had reduced the ti□
required to produce a monthly schedule from three days to two hours.

ve Practices

age points
increased
ised by an
of growth,
uctions in

,000 copies
stems each
nt.

onstruction
Use of this
nal factors,
gineers the
oined KBS,
proje··s.

heduling in
naterials and

and financial
ing systems.
t· biggest
:heduling. A
g application
Initially, the
workstation
h scheduling
nique. So far
n it began to
.

niba for both
Design and
th· rincipal

on scheduling
kinds of pulp,
ifferent paper
nployed a top·
groups, then
iced the time

Microwave Circuit Design: Toshiba also reported data on a microwave circuit design system, called FIRE, built with an internally developed tool called Debut. FIRE captured the design process for highly parametric design problems. The system ran on a workstation, was C-based, and interfaced with microwave circuit simulators and a mechanical CAD system. The primary benefits of the system were speed-up of problem solving and accumulation of design knowledge.

A fault diagnosis system developed for Kyushu Electric Company was in routine use by Kyushu operators. The system diagnosed faults and restored operation to an electric power system. The fault diagnosis system had 900 rules; the fault restoration system had 600 rules. The system was built using TDES-3, a real-time application shell that used rules and frames for knowledge representation. The development team consisted mostly of Toshiba personnel, with domain experts supplied by Kyushu.

Toshiba also reported on a diagnostic system for a subway station facility, called SMART-7, which was built for the Tokyo Eidan 7th line. The system was built with a diagnostic knowledge acquisition support tool called DiKAST. SMART-7 was implemented as a support module that detected malfunctions in the air conditioning facilities. The system contained 1600 frames, and ran on a workstation. It was built by three system engineers in three months.

Electric Subassembly: Another expert system was used for placing electronic components on printed circuit boards. The knowledge base consisted of about 70 rules and 8500 functions, and was built on top of the ASIREX tool. The ES was integrated with a PCB CAD tool called BoardMATE, a commercial product developed by Toshiba. The system took three years to develop, with an estimated labor cost of three man-years. The system had sped up problem solving by a factor of 10.

Decision Support System: A small knowledge system (110 rules, 32K lines of C code) that Toshiba sold was MARKETS-I, a decision support system to determine the suitability of opening a convenience store at a particular site. Estimation accuracy was improved with the use of this system.

Banking: ESCORT was a banking operations advisor system that was used in Mitsui Bank. It planed the most appropriate procedure to get the computer banking system back on line following an accident. The system had about 250 rules and 900 frames, and was built using a LISP-based expert system shell called ExPearls. The GUI was written in C. The system run on the AS3000 workstation.

Software Engineering: In the area of software engineering, Toshiba had developed an automatic programming system for sequence control. This system generated a control program for a steel plant from high-level specifications. It analyzed and refined the specification, generated code, and retrieved program modules. This was a fairly large system: 2,900 frames, 320 rules, and a library of 190 program modules. It was written in LISP, using an internally developed frame-based knowledge representation language with object oriented facilities. Twenty person-years went into its development, over a four-year span. The system had resulted in cost reduction and an improvement in the quality of the sequence control program designs. Test and verification were performed manually.

CONCLUSION

Artificial Intelligence is becoming more and more prominent in the society. Fror origins, AI has become a topic of extreme interest, and endless possibilities. System being used to manage credit cards to speech recognition systems, AI's presence in business world is not going unnoticed. As time goes on its effect on the business world only become stronger.

References

Feigenbaum, Edward A.; McCorduck, Pamela (1983). *The fifth generation* (1st ed.), Reading, Addison-Wesley, ISBN 9780201115192, OCLC 9324691

Kapadia, R.; G. Stanley, and M. Walker (2007). *Real World Model-based Fault Managen* Proceedings of the 18th International Workshop on the Principles of Diagnosis (DX-07), Nash TN, USA.

Kendal, S.L. and Creen, M. (2007). *An Introduction to Knowledge Engineering.* London: Sprir ISBN 9781846284755, OCLC 70987401

Moore, R.; H. Rosenof, and G. Stanley (1990). *Process Control Using a Real Time Expert Sys* Proc. International Federation of Automatic Control (IFAC), Estonia, USSR.

Paiva, Ana; Albert Rizzo and Eric Wagner (2008). Page 4 in: *Panel on Artificial Agents Psychotherapy.* By Eva Hudlicka, Christine Lisetti, Diane Hodge,. Subjects: 6.1 Life-Like Charact 1. Applications.

Stanley, G.M. (1991). Experiences Using Knowledge-Based Reasoning in On-line Control Syste Proc. International Federation of Automatic Control (IFAC) Symposium on Computer Design in Control Systems, Swansea.

Information and Communication Technologies (ICTs) and e-Business applications provide many benefits across a wide range of intra- and inter-firm business processes and transactions. ICT applications improve information and knowledge management inside the firm. They can reduce transaction costs and increase the speed and reliability of transactions for both Business-to-Business (B2B) and Business-to-Consumer (B2C) transactions. In addition, they are effective tools for improving external communications and quality of services for established and new customers. ICT and e-Commerce offer benefits for a wide range of business processes. At organizational level, ICT and its applications can make communication within the organization faster and efficient. Seamless transfer of information through shared electronic files and networked computers increases the efficiency of business processes such as documentation, data processing and other back-office functions. This book attempts to cover all those diverse areas where innovative practices in the area of ICTs have helped the businesses in enhancing their competitiveness and improved productivity.

This book is an edited compilation of research papers and articles contributed by researchers, practioners and students pursuing their career in Information Technology and Management Disciplines to provide a pool of knowledge on innovative IT practices. The book helps to magnify the understanding of practioners and academia across the country and abroad. It has 44 chapters divided into four sections namely ICT in Business Organizations, Exploring ICT Applications, Artificial Intelligence and Advanced Computing and Latest Technological Trends and Security Concerns. The four sections of the book mainly focus on a broad spectrum of IT related issues and problems with innovative solutions. Building environmentally sustainable organizations is the need of present dynamic environment and at the same time it is crucial for firms to have competitive strength for strategic gain. The book highlights how ICTs can be leveraged by the organizations to transform their processes in a changing business and economic environment.
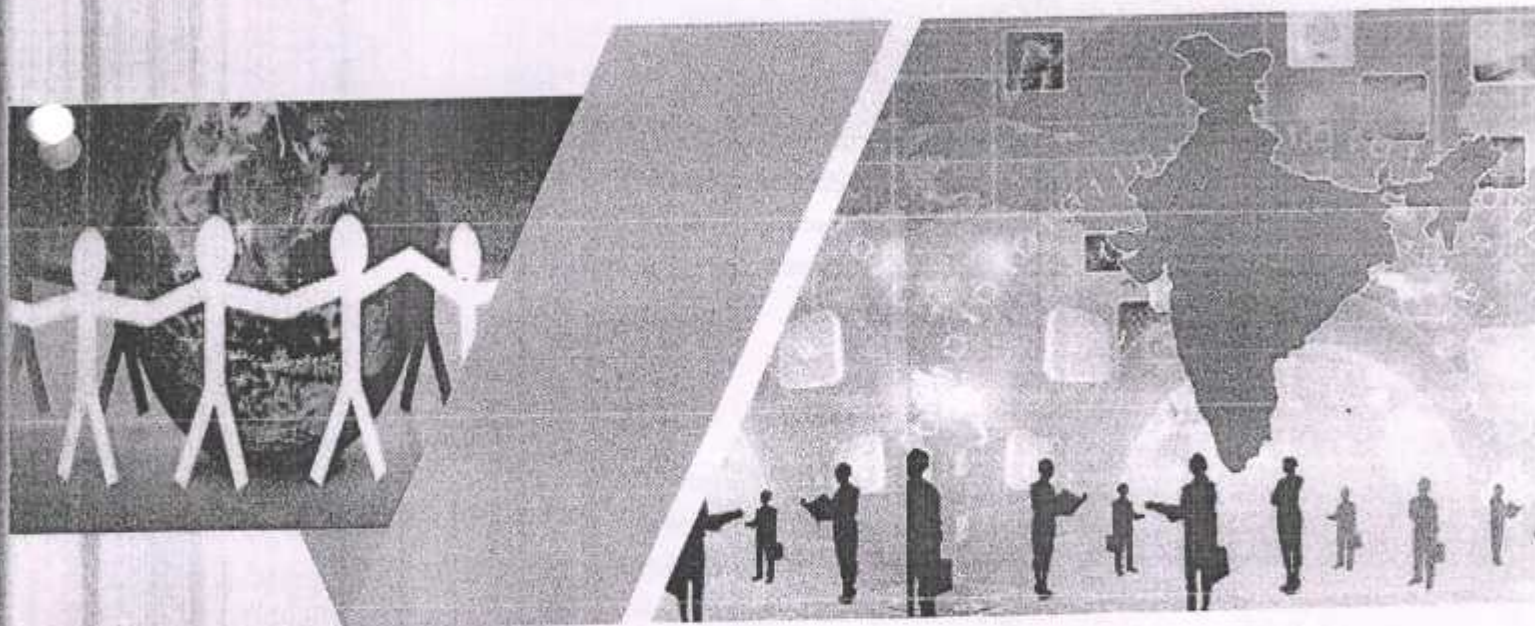
Excel
INDIA PUBLISHERS

GLOBAL TRANSFORMATION CHALLENGES AND OPPORTUNITIES

CHIEF EDITOR
Dr. Prashant Gundawar
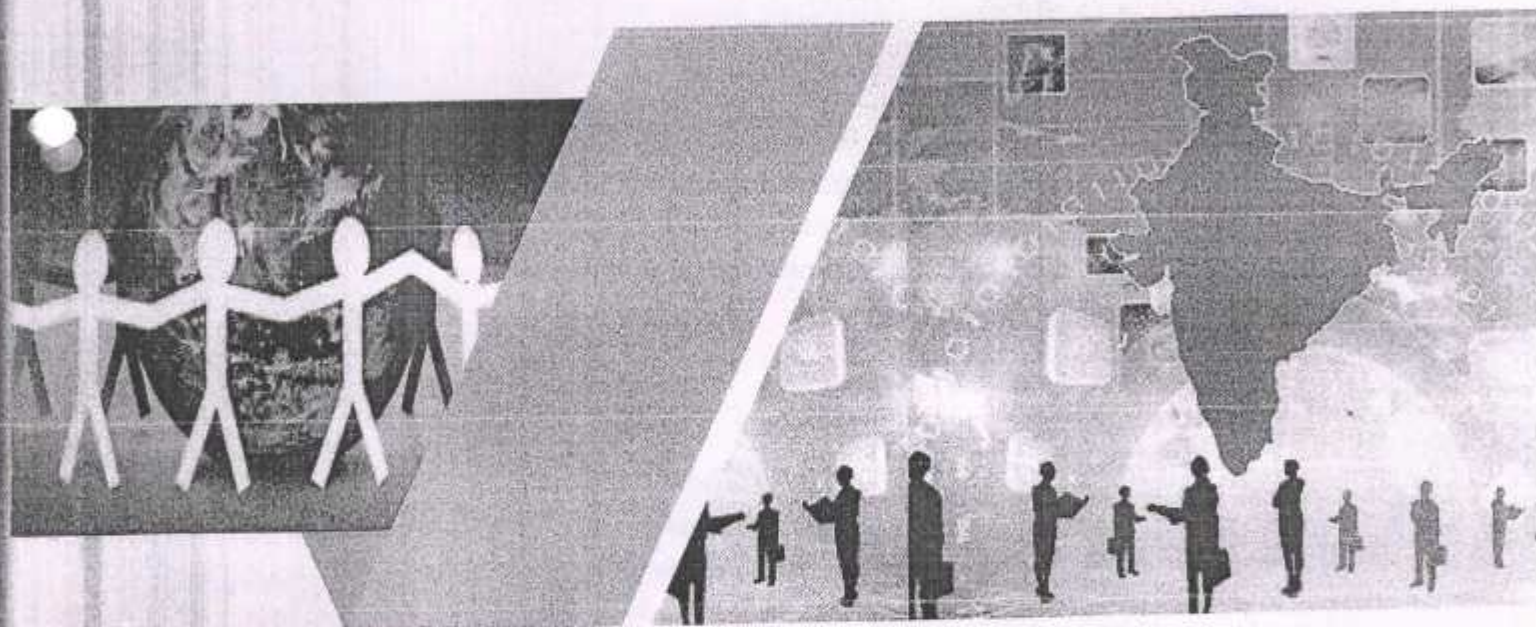
EDITORS
Dr. Arjita Jain
Dr. Murlidhar Dhanawade

NCRD's
Sterling

INSTITUTE OF MANAGEMENT STUDIES
Approved by A.I.C.T.E., New Delhi, Recognized by University of Mumbai & Government of Maharashtra

NATIONAL CENTRE FOR RURAL DEVELOPMENT
NCRD

GLOBAL TRANSFORMATION CHALLENGES AND OPPORTUNITIES

CHIEF EDITOR
Dr. Prashant Gundawar

EDITORS
Dr. Arjita Jain
Dr. Murlidhar Dhanawade

NCRD's
Sterling
INSTITUTE OF MANAGEMENT STUDIES
Approved by A.I.C.T.E., New Delhi, Recognized by University of Mumbai & Government of Maharashtra

Global Transformation
Challenges and Opportunities

Disclaimer

...ORMATION 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.

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

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

...RODUCTION:

...y is defined as a 'form of politically organized unit'. The term ...ed as synonymous for 'state' and 'government' in particular ...xts. However, Aristotle used the term 'polity' to refer to a ...ue or rule. Regime primarily refers to norms, principles and ...dures (Kranser, 1983), meant to form a socio-political ...e, having various components, the relationship among these ...onents and the fundamental norms governing these ...ionships. 'Power' remains the major concern in this ...ons. The norms and principles of a polity guarantee ...nsib ...xercise of power (Bruyn, 2005). Thus 'polity' does ...ecessarily mean 'state', rather it refers to a social formation, a ...r whole in which 'state' is but a part, joined by other actors in ...ower structure. The 'state' denotes a political society/sphere ...msci, 1971), separate from market and family- the realm of ...te. Between the two lies 'civil society' which mediates on ...lf of the citizens with 'state' and 'market'. Market, though ...of the private sphere has the potential to exploit the public by ...ing with the state (Lipschutz, 2007). 'Public sphere' enables ...society for this mediation by supplying a powerful medium ...ermas, 1974) and completes the social whole. So the three ...lapping structures of power construct the whole that may be ...d as nation-state polity. These three institutions are 'state', ...l society' and 'public sphere'.

...orically, the 'state' emerged because it then offered the best ...edies for then existing problems (Beaulac,2004). Travelling ...: into the history, the temporal and spatial dynamics for the ...of state becomes clear (Ferguson, 2006; Ebo, 2007). The state ...red 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).
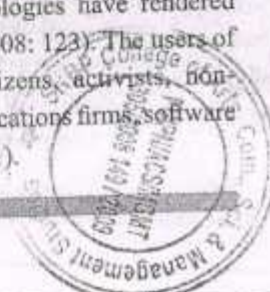
Undoubtedly, the public sphere is an unavoidable component of a socio-political organization. It is the space where people come together as citizens and pronounce their autonomous views to influence the political theories and practices in the society (Habermas, 1974). Civil society is the organized manifestation 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; Denemark, 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 (Tehranian, 2004).

An information-based civilization has emerged from the traditional industrial societies (Tehranian, 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).

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, 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 play at all levels.

Dynamics of transformation:

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

Globalization:

Globalization is a dynamic process which characterize transformation in the spatial organization of so relations and transactions thereby generating trans-continent interregional flows and networks of interaction and exercis power (Held et al., 1999:16). The salient attribute globalization are its social basis, economic and poli dimensions, and its potential of integrating a range of so nationally demarcated activities across state boundaries (Bee 2003). The transitions in the mode of production of hunting gathering societies to agrarian, commercial, manufactu and information societies are rather well known. Each tran involved substantial transformations in the political, econo and social systems (Tehranian, 2004).

Contemporary transformations characterized by globalizat not refer to the end of politics rather its relocation somewher (Toffler, 1991). The national or international dualism no determines the structure of opportunities for political act instead it is now located in the 'global' platform. G politics have turned into global domestic politics, deprive national politics of their boundaries and found (Beck, 2006:249). This process shapes a social system wi functional capacity to work as a unit globally in real or c time. Capacity here refers to technological capacity, instit capacity (i.e. deregulation, liberalization, privatization organizational capacity (Castells, 2008).

Eroding State Sovereignty:

Apparently, the decline of state-power has driver diffusion of authority away from national governme created the problems of non-authority and un-gover (Strange, 1996:14). Erosion of state sovereignty is prope internal social developments, mushrooming of new ide and the rise of non-state actors at the national and tran level (Kreijen, 2002). This erosion is generally consid consequence of globalization (Beeson, 2003). The sovereignty and national security have emerged a problems for the whole world (Chanda, 2008). Glob provides a new context for these developments thereby the state-centered foreign policy subservient to glob (Kapitonenko, 2009).

One of the side effects of globalization is that those states the most developed economies and are considered torch

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).
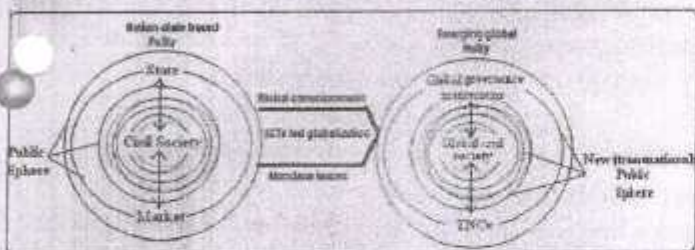
Figure 1. Theoretical model for transformation of polity

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 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 periphery. The agenda setting andcontexts 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 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 law, 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 communication 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 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 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

...tion are actually fostering a system that can be ...ntal to the sovereignty of their own state (Strange, 1996). ...e most colossal change in the world order setting since ...e of Westphalia that concluded the war of thirty ...ccording to its provisions, sovereign states became the ...ents of the international system (Jackson and Owen, ...ey substituted a variety of international actors like ...pe, the Emperor, dynasties, and the like. Thus, starting ...e mid-17th century, international relations have been ...nantly inter-state but this epoch of history seems to be ...han et al., 2012).

...ation Technologies:

...efers to computers, software, networks, satellite links ...ated systems that enable users to access, analyze, create, ...nge and use data, information, and knowledge in ...cedented ways. The terms 'ICT' and the 'internet' though not ...ymous but are almost interchangeably used (Beebe, 2004). ...etter to comprehend ICT in perspective of creating a new set ...lationships and spaces, an agora rather than as a high- tech ...It is one more global field for competition over the ...bution of resources and information and the most ...rtantly, power (Van Dijk, 2006).

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

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

...Ts have opened new avenues for governance (i.e. e-...governance) but on the contrary these have strengthened the ...pacities of civil society by facilitating vibrant and extensive ...public sphere (Dahlgren, 2005) and thus are facilitating ...ansformation of polity (Crack, 2008; Castells,2008). ICTs ...nable political actions with utter disregard to territory, and by ...ostering 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.
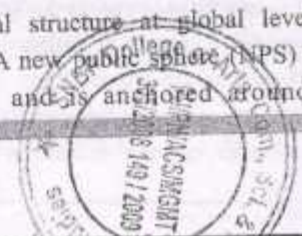
Rise of Mundane Issues:

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 (NPS) which is transnational in nature and is anchored around global

...ced by it are not very old (Chanda, 2008; Sloterdijk, ...33) and this is the reason for the immaturity of global ...rnance institutions. Nevertheless, relocation of state ...orities in the global institutions is reflected in the increasingly ...rging economic, political, security, and ecological institutions ...lish, 2012).

...SSIONS:

...olars have pointed to the fact that this transformation is ...by economic forces that are seeking higher profits in ...al space, and is facilitated by the rapid development of ...es in the field of communication, transportation, media ...ction (Wriston 1992). The primary characteristic of ...tion is that geographical distance becomes irrelevant and ...rial boundaries become less significant (Scholte, 2000). ...entious that whether the establishment of global ...ce institutions is also accompanied by trends of ...on of polity on a global level (Zubair et al., 2011b).

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

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

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

ructures at global level.

EFERENCES:

1] Acosta, Orlando, Gonzalez, Jorge I (2010). A thermodynamic approach for emergence of globalization, in Deng, Kent G. Globalization - today, tomorrow. Sciyo, Croatia.

2] The Westphalia model in defining international law: challenging the myth. Australian Journal of Legal History, Volume 9

3] Camille, Joseph, Falk, Jim (1992). The end of Sovereignty: the politics of a fragmenting and shrinking world. Edward Elgar Pub.

4] Mustafa, M. & Gashi, P. (2006): *Biznesi i vogël dhe i mesëm*, Prishtinë, Kosovë

5] Nash, J.F. (1988): *Accounting information systems*, 2nd Edition, PWS, Kent Publishing

6] Pollard, D. (2006): *Promoting Learning Transfer. Developing SME Marketing Knowledge in the Dnipropetrovsk Oblast*, Ukraine.

7] http://www.kosovo.undp.org

8] http://www.opt-init.org/framework/pages/2.3.2html] May 2008

9] http://www.informaworld.com/ smpp/ content~content= a713698787] november 2007

10] http://www.isoc.org/inet2000/cdproceedings/7d/7d_2. htm#s31] may 2008

11] http://www.crec.mccombs.utexas.edu/works/articles/ internet_economy.pdf]

12] http://www.med.gov.nz/templates/page_10117.asap#% 20knowledge%20%society, October 2008.

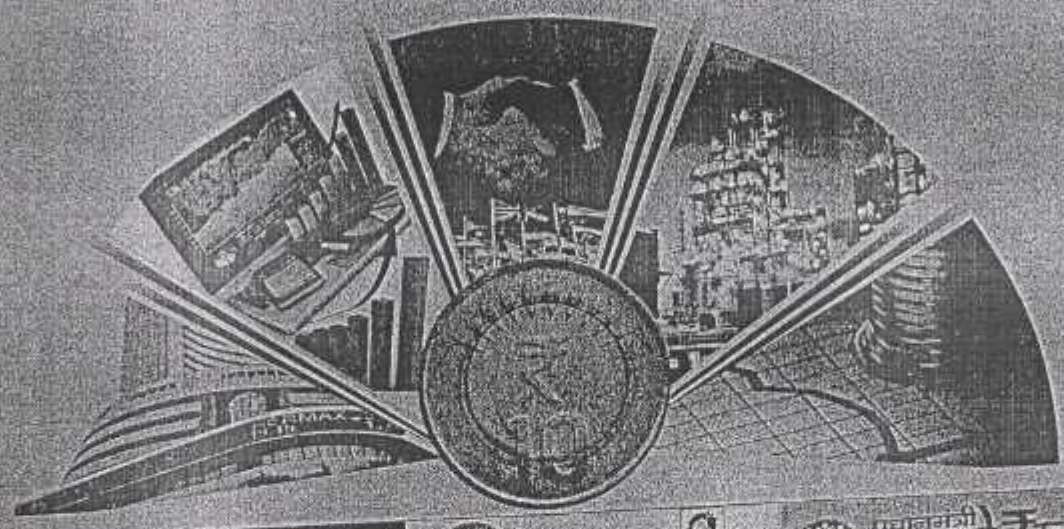13] htpp://www.enterweb.org/know.htm October 2008.

14] http://strategies.ic.gc.ca/

Rs. 750/-

Proceedings of
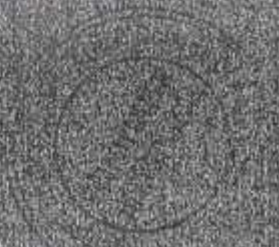International Conference on

RECENT TRENDS IN COMMERCE AND MANAGEMENT

RTCM- 2017
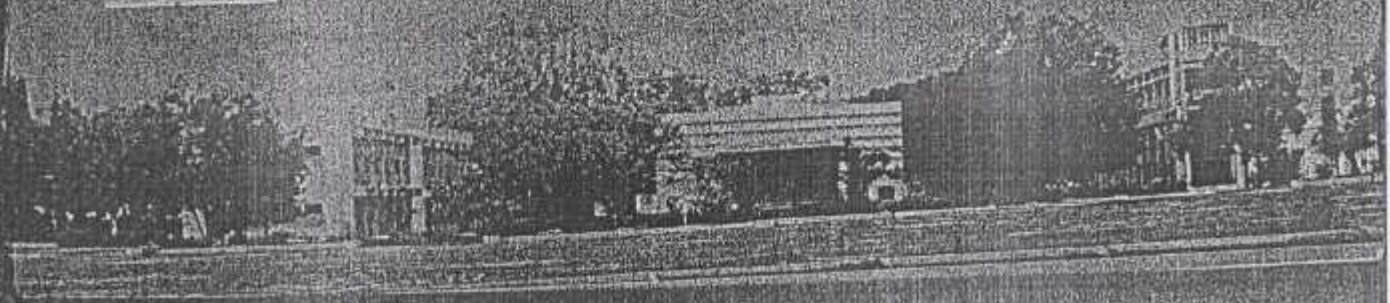
Editor-in-chief
Prin. Dr. K. K. Deshmukh

Editors
Prof. Dr. A. H. Gaikwad
Prof. O. R. Bihani
CA Dr A. D. Divekar

Vol. II

SKILL DEVELOPMENT & INDIA : NEED OF TOMORROW

Miss Kajal Naresh Mittal,
Assistant Professor,
S.N.B.P College of Arts Commerce
Science, & Management Studies,
Morwadi, Pimpri, Pune.
kajalmittal408@gmail.com

Dr. Sudhir A. Atwadkar
Principal
SNBP College of Arts Commerce Science &
Management Studies,
Morwadi, Pimpri, Pune
sudhir.atwadkar@gmail.com

1)   Introduction:

India's population is huge at 1.21 billion. It is fast expanding at a rate of 17% and integrating rapidly into the global economy. India is among the 'young' countries in the world, with the proportion of the work force in the age group of 15-59 years, increasing steadily. However, presently only 2% of the total workforce in India have undergone skills training. India has a great opportunity to meet the future demands of the world, India can become the worldwide sourcing hub for skilled workforce. The challenges for India get magnified, as it needs to reach out to the million plus workforce ready population, while facing an ever increasing migration of labour from agriculture to manufacturing and services. With the government launching a number of schemes to empower the young workforce, the challenges magnify as there is a need for effective implementation of the schemes at the grass root level with equal participation from all the stakeholders concerned.

The present work is conceptual in nature and based on secondary data made available fromreports, government documents and publications, websites etc.

2)   Skill Development Program &Policy Framework:

The government has listed skill development as one of its priorities and aims to enhance participation of youth, seek greater inclusion of women, disabled and other disadvantaged sections into the workforce, and improve the capability of the present system, making it flexible to adapt to technological changes and demands emanating from the labour market. Currently, skill development efforts in India are spread across approximately 20 separate ministries, 35 State Governments and Union Territories and the private sector. A Ministry of Skills Development, Entrepreneurship, Youth and Sports were created when the government took charge in mid-2014. The Ministry has been entrusted with the coordination of all stakeholders during the evolution of an appropriate skills development framework, removal of disconnect between demand and supply of skilled manpower, skills up-gradation, building new skills, innovative thinking and assuring availability of talents.The policy framework governing the skill development ecosystem in India includes the Apprentices Act, 1961, the National Skill Policy and the National Skills Qualification Framework (NSQF).

➤ The National Skills Development Corporation (NSDC) :

The National Skill Development Coordination Board has been set up under chairmanship of the Deputy Chairman of The Planning Commission in the Public Private Partnership mode (PPP). It formulates strategies to implement the decisions of the Prime Minister's Council on National Skill Development and also monitors and evaluates the outcomes of the various other schemes and programs for the council. It also develops appropriate and practical solutions and strategies to address regional and Social Imbalances, ensures quality control in Vocational Training and Education, monitors private participation

strategies and helps put in place sectoral action plans. It has planned to set up 1500 new ITIs and 5000 skill development centres, across the country as well as a National Vocational Education Qualifications Framework (NVQF) for affiliations and accreditation in the vocational educational and training systems. The National Council for Vocational Training (NCVT) advises the government on issues related to various vocational training schemes; similarly the State Council for Vocational Training (SCVT) carries out the same functions at the state level. The Ministry of Labour and Employment, Ministry of Human Resource Development (MHRD), Ministry of Rural Development and Ministry of Urban Development & Poverty Alleviation, along with 14 other ministries, have come up with various schemes on skill development. The Modular Employable Skills (MES) and Skills Development Initiative Scheme (SDIS) adopted by the Directorate General of Employment and Training (DGET), Ministry of Labour and Employment, Government of India, provides a new strategic framework for skill development for early school leavers and existing workers, especially in the un-organised sectors in close consultation with industry, micro enterprises in the un-organised sector. State Government, experts and academia. The main objective here is to provide employable skills to school leavers, existing workers, ITI graduates and similar others. Existing skills of the persons can also be tested and certified under this scheme. Priority is given to those above 14 years of age, who have or been withdrawn as child labour. This will enable them to pick up employable skills in order to be gainfully employed.

3)   **Skill Development Challenges in India:**

Alongside the daunting challenge of skilling millions of youth entering workforce each month, India also faces a huge challenge of evolving a skill development system that can equip the workforce adequately to meet the requirements of the industry. The workforce needs to be trained across four levels, from the high end specialised skills for 'White Collar' jobs to the low level skills of the 'Rust Collar' jobs. Moreover, these skills have to be adequately linked to the available job opportunities.

Issues in Skill Development:

Several factors have inhibited the skill development eco-system in India to scale up to the desired levels. The skill development system in India is plagued with multiple issues related to awareness, perception, cost, quality and scale.

> **Cost concerns:**

Skill development initiatives in India continue to be largely dependent upon government funds or public-private ventures. Owing to high capital requirements and low return on investments, skill development is often looked at as a non-scalable model and remains underinvested. Additionally, a fee-based model also faces challenges as prospective students are often unwilling or unable to pay high fees for training. Even the bank's willingness to lend for skill development activities is low as educational loans are perceived as high risk prospects due to uncertainty with respect to future employment.

> **Quality concerns:**

There is a serious mismatch between the industry's requirements and the skills imparted in educational and training institutes, especially for the mid-level skills requiring some expertise on handling of machinery. To tackle this problem, considerable improvement Of the quality of training is needed. The issue relates to the quality of infrastructure, trainers, as well as curricula

and pedagogy. In terms of infrastructure, the institutes often lack appropriate machinery to give students hands-on training. Even the course curricula often are outdated, redundant and non-standardised. Additionally, the lack of industry-faculty interaction on course curricular leads to irrelevant training modules.

The availability of good quality trainers is also a key concern. The quality of trainers is affected due to limited efforts towards re-training and skill improvement of trainers. There is a lack of focus on development of trainers with a clear career path which can make this an aspirational career choice and can ensure regular adequate supply of good-quality trainers in every sector. While there is a need to constantly upgrade the training infrastructure and pedagogy, it is very expensive. This restricts the pace of modernisation and upgradation. Likewise, the process of standardisation is challenging in India. A significant portion of total employment falls under the unorganised segment, where it is extremely difficult to sensitise the employers on the importance of occupational standards, job roles and qualification packs.

> **Mobility concerns:**

In India, educational qualification is generally preferred over vocational training as former is associated with better employment opportunities, in terms of pay as well as quality of work. Additionally, there is limited mobility between formal education and vocational training in India due to lack of equivalent recognition for the latter; a student enrolled in vocational training often cannot migrate to institutes of higher education due to eligibility restrictions. However, under the on-going National Skills Qualification Framework (NSQF), attempts are being made to address the mobility issue by recognition of prior learning and establishing a credit system for skills, knowledge and experience gained by an individual either formally or informally. NSQF is expected to enable multiple-entry and exit between vocational education, skills training, general education, technical education and job markets.

4) **Initiatives of Government Agencies:**

> **Ministry of Rural Development:**

The Ministry of Rural Development has launched schemes that aims at empowering young people from the poor and weaker sections of the society through schemes like "Special Projects for Placement Linked Skill Development of Rural BPL youth under SwarnaJayanti Gram SwarozgarYojana(SGSY-SP) with an objective of ensuring time bound training aimed at bringing a specific number of BPL families above the poverty line through placement services. And Rural Development and Self Employment Training Institutes (RUDSETI) were launched with an objective of setting up a dedicated Skills development infrastructure in each district in the country aimed towards entrepreneurial development.

> **Ministry of Urban Development and Poverty Alleviation :**

The Ministry of Urban Development and Poverty Alleviation had launched the SwarnaJayantiShahari ROZGAR Yojana (SJSRY) in 1997 to address the Skill development issues of the urban poor. The SwarnaJayantiShahariRozgarYojana (SJSRY), had been comprehensively revamped in view of addressing the drawbacks observed in implementation. The revised guidelines had come into effect from 1.4.2009. The three key objectives of the revised SwarnaJayantiShahariRozgarYojana (SJSRY) are:

- Addressing urban poverty alleviation through gainful employment to the urban unemployed or underemployed poor;

- Supporting skill development and training to enable the urban poor have access to employment opportunities provided by the market or undertake self-employment; and
- Empowering the community to tackle the issues of urban poverty through suitable self managed community structures and capacity building programmes.

India's workforce, the second largest in the world after China, needs to be trained across four levels, from the 'White Collar' workers to the 'Rust Collar' workers, linking them to job opportunities and market realities. The skills challenge becomes acute for India considering that the country has a large portion of its population below 25 years of age. This young population can be transformed into a productive workforce giving the Indian Economy a 'Demographic Dividend'. Currently a major proportion of this population is not productively engaged in economic activities due to a 'skills v/s jobs requirement' mismatch. The skills v/s jobs mismatch often leads to economically inactive working age group people. This not only impacts the economy, it also has serious consequences for the society at large. Social unrest such as insurgency, red belt has been witnessed in several areas of India should be heeded with a measure of urgency.

Therefore to address the above challenges and reap the benefits of the demographic opportunity, skills initiatives in India need to focus on -

Quantity: Over 65% of India's large population is below 35 years of age; a robust skills training and certification system for these large numbers is a mammoth task.

- As per the 11th Five year plan Vocational education will be expanded to cover 20000 schools with intake capacity of 25 lakh by 2011-12. The programme will ensure mobility between vocational, general, and technical education and multiple entry and exit options
- The "National Skills Policy" in 2009 has set a target of skilling 500million by 2022
- The current skill development capacity is 3.1 million persons per annum which have to be upgraded substantially to 12 million persons per annum.

Quality: The diplomas and certificates with which students graduate are usually out of sync with the needs of the industry. As a result, industry finds it difficult to recruit adequately skilled labour and is forced to undertake large training programs. The shortage of skilled workforce results in loss of productivity, while training programs imply high labour costs.

a) The National Vocational Qualification Framework (NVQF) and National Vocational Education Qualification Framework (NVEQF) are Standards developed by the Sector Skills Councils (SSC's) can ensure clarity of career choices, options and acceptability of the qualifications.

b) The FICCI Skill Development forum has made recommendations for the 12th Five year Plan. In order to ensure the quality of skills delivered it has highlighted:

- Building skills training as a mainstream and inclusive program to be promoted by creating a formal arrangement among the three key stakeholders in the delivery pyramid: Government, Industry and Skills providers
- Industry led 'Train the Trainer' (TTT): One of the key components of Skills - Training is the trainer. It is the pedagogical expertise of the trainer which ensures that the learner gets a wholesome experience, understands the standards and is fully equipped to apply the concepts learnt during his employment. The Training of Trainer hence becomes a major challenge.

- As per the NSDC report on Education sector there is an incremental requirement of 8,664,000 teachers and trainers between 2008 – 2022.
- The central government should provide funding support to state government institutions to make skills trainer a lucrative career option. This fund support shall not only allow the state governments to retain the trainers for the schools and other institutions but also invite participation of many more people into the training industry.
- Greater focus should be given to International Collaborations so that - there is better Understanding of the fast changing skills demands, Increased FDI in Skills, Promoting B2B partnerships between Indian and International companies, Engaging Multinational Corporations to provide skills solutions that transpose the models and practices, Reverse transfer the best practices from India to world

Access: India's large geographical territory, difficult terrain and varying social economic conditions make the implementation of standardised, skill-based instruction a huge challenge

a) A very large geographical expanse comprising of 6,38,365 villages, 4378 towns over 35 cities and 640 districts, with difficult terrain and varying social economic conditions make it difficult for all learners to have access to training.

b) States like Bihar, (with a population greater than that of Germany), Jharkhand, etc have little access to skills training and the population comprises of a large unskilled workforce. There is wide disparity in industrial development, and have little industrial activity, which makes it difficult for workers to find jobs.

c) Nearly 37 percent of the Indian population lives below the poverty line and lives on less than 1 Dollar a day. They cannot afford even basic amenities leave aside education and training.

d) About 89% of the 15-59 year olds have had no vocational training. Of the 11% who received vocational training, only 1.3% received formal vocational training. The current training capacity is a fraction of the 12.8 million new entrants into the workforce every year Therefore access to skills programs becomes a major challenge.

e) In the recommendations made by The FICCI Skill Development forum for the 12th Five year Plan it has highlighted the following points to address the quantity issues.

- Large corporate houses could engage in training programs for youth from rural, urban villages, towns and cities, as an Industry skills training would offer immediate return to the society by improving lives of people.
- Since India has set a huge target for itself of 500 million people it requires programs that e scalable, replicable and accessible, this has created a unique opportunity in terms of economies of scale for the new providers entering the market. While this has resulted in a number of new organisations to venture into the bottom of pyramid skills space, there is still a huge need for more companies to enter the market and offer good quality service if they are adequately incentivised.

5) **Conclusion:**

India's skill development initiatives of skilling approximately 500 million people will not only benefit India but also make India the 'global manpower hub'. Among the developing countries of the world, India has the highest potential to meet the skill gap with its large, young, English speaking population. The world shortage of skilled manpower will stand at

approximately 56.5 million by 2020. With a target of skilling 500mn by 2020, India can not only fulfill its own requirements but can also cater to the labour shortages in other countries. Presently 80% of the workforce in India (both rural and urban) does not possess any identifiable or marketable skills. Therefore, bridging this gap (through the various skill development initiatives) could make India the global hub for skilled manpower, and also result in a surplus of skilled manpower.

Innovative E-learning Platforms have been gaining more popularity in recent times. They offer a greater mobile and flexible learning environment. Students can learn and attend classes and participate in discussion forums online, at their convenience, from their offices, homes and so on. The Ministry of Human Resource Development (MHRD) has introduced multiple schemes that integrate skills training into the school curriculum in an innovative manner. 6800 schools have been covered under the vocationalization of Secondary Education programme, for students passing out of class X. The National Program on Technology Enhanced Learning (NPTEL) gives support for distance education and web based learning. These are prepared at the seven Indian Institutes of Technology (IITs).

References :
1) Athena Infonomics India Private Ltd. *Skill Development in India: Challenges and Opportunities.*
2) FICCI-Ernst & Young *(2012). Knowledge Paper on Skill Development in India-Learner First.*
3) FICCI-KPMG *(2012).Skilling India- a look back at the progress, challenges and the way forwar.*
4) Government of India *(2004). India Vision 2020.* New Delhi: Planning Commission.
5) Government of India (2011). *Second Annual Report to the People on Employment.* New Delhi: Ministry of Labour& Employment.
6) Government of India (2012-13). *Seizing the Demographic Dividend- Chapter 2,* Economic Survey. New Delhi: Ministry of Finance.
7) Government of India (2013). *(NSS 66th Round), Status of Education and Vocational Training in India.* New Delhi: NSSO, Ministry of Statistics and Programme Implementation.
8) Government of India (2013). *Twelfth Five Year Plan (2012-2017) Social Sectors,* volume 3. New Delhi: Planning Commission.
9) Government of India *(2013-14). Education, Skill Development and Labour Force,* Volume-3. New Delhi: Labour Bureau, Ministry of Labour& Employment.
10) Government of India (2014). *Demand Responsive Vocational Training.* New Delhi: Directorate General of Employment and Training, Ministry of Labour& Employment.
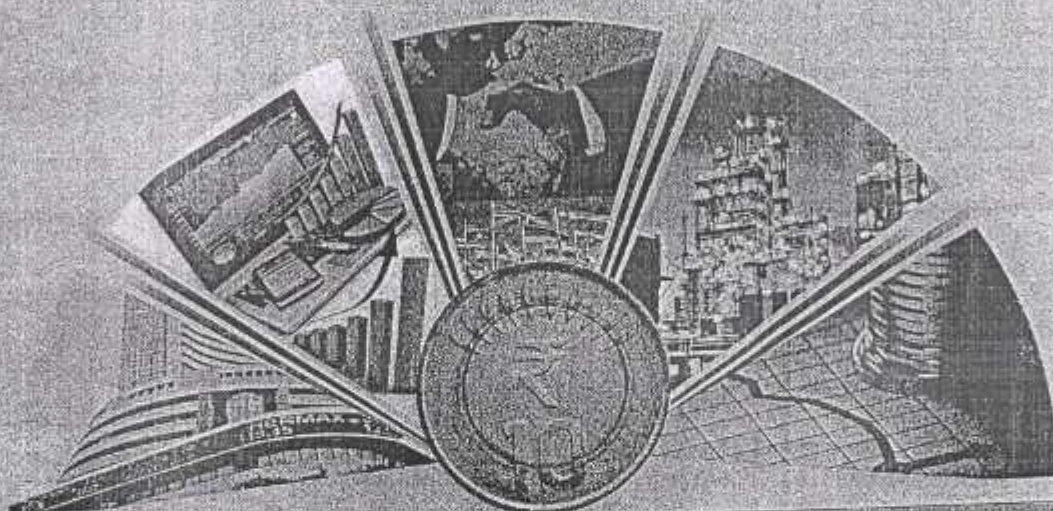
Proceedings of
International Conference on

RECENT TRENDS IN COMMERCE AND MANAGEMENT

RTCM- 2017

Editor-in-chief
Prin. Dr. K. K. Deshmukh

Editors
Prof. Dr. A. H. Gaikwad
Prof. O. R. Bihani
CA Dr A. D. Divekar

Vol. 1

Digital India: Initiative & Future Need

Miss Umeshwari P. Patil
Assistant Professor
SNBP College of Arts Commerce Science
& Management Studies,
Morwadi, Pimpri, Pune.
umeshwari_patil@rediffmail.com M. 09604789565

Dr. Sudhir A. Atwadkar
Principal
SNBP College of Arts Commerce Science
& Management Studies,
Morwadi, Pimpri, Pune.
sudhir.atwadkar@gmail.com M. 08275001199

ABSTRACT: *Digital delineate to electronic technology that generates, stores and processes data, so that it is stored in a virtual central repository and is easy to access anytime, anywhere. It is a well-known fact that digital India is the outcome of many innovations and technological advancements. The Digital India drive is a dream project of the Indian Government to remodel India into a knowledgeable economy and digitally empowered society, with good governance for citizens by bringing synchronization and co-ordination in public accountability, digitally connecting and delivering the government programs and services to mobilize the capability of information technology across government departments. Digital India imagines, universal digital literacy and approachability for all digital resources for citizens by ensuring that the resources and services are accessible in regional languages and providing digital scaffold to participatory governance ensuring convenience, like making all government certificates and documents available on the Cloud with portability. The motive behind the concept is to build participative, transparent and responsive system. An attempt has been made in this paper to understand Digital India – as a campaign where technologies will bring the world together and make an impact on all aspects of governance and improve the quality of life of citizens.*

Key Words: *Digital, Technology, e-Governance, Paperless.*

1) Introduction:

The digital world that we live in today is that where every civilian has a bright prospect to transform the lives in many ways that were hard to envision just a couple of years ago. It is the outcome of several innovations and technology advances. Today, the world has transformed from a knowledge savvy to techno knowledge savvy. Think of something and it is available in one click. Every nation wants to be fully digitalized that will empower society in a better manner. The 'Digital India' programme, an initiative of honourable Prime Minister Mr.NarendraModi, will emerge new progressions in every sector and generates innovative endeavours for geNext. The motive behind the concept is to build participative, transparent and responsive system. So, Digital India is a step by the government to inspire and connect Indian Economy to such a knowledge savvy world. The program targets to make Government services available to people digitally and enjoy the benefit of the newest information and technological innovations. Digital India will provide all services electronically and promote digital literacy. Digital Technologies which includes the concept of cloud computing and mobile applications have emerged as the catalysts for express economic growth and citizen empowerment. Companies all over the world desire to invest in Digital India- the 21st century India, as a growth opportunity. It brings out various schemes like E-Health Digital Locker, E-Sign, E-Education etc. and nationwide scholarship portal. Digital India is a great plan but its improper implementation due to inaccessibility & inflexibility to requisite can lead to its failure. The program strives to provide equal benefit to the user and service provider. The consumers will be benefited by way of saving time, money, physical & cognitive energy spent in lengthy

government processes. For e.g. digital ticketing will lead to reduction in queue at ticket counter with online resources for booking, online tax-return filing etc.The aim of Digital India to give a Unique ID and e-Pramaan based on authentic and standard based interoperable and integrated government applications and data basis. This program will also lead to paperless work and reduction in cost to the government expenses .Government services will be available to every citizen electronically. Global investors like SundarPichai, SatyaNadella, Elon Musk have supported Modi's Digital India initiative.Hence, present paper has made an attempt to understand Digital India concept – with the objectives - as a campaign where technologies and connectivity will come together to make an impact on all aspects of governance and improve the quality of life of citizens. To find out how the government services can work effectively with practical solutions and innovative ideas to accomplish the vision of a digital India-a reality.

The secondary data has been collected. For this purpose, various magazines, journals and websites articles have been used as it is a conceptual paper. Thus, the focus is to know more about the concept, its application and the impact on economy via other parameters. Therefore, qualitative and quantitative data have been used.

2) Is India Ready For Digitally:

There is no doubt in it. India is ready for this. Immediately with the introduction of this campaign, many organizations came forward to lend their hands for achieving India a digitally equipped country. Organizations like BSNL, Reliance Ltd. are coming forward to spread digitalization among rural areas. And over 42000 villages all over India will be having seamless mobile connectivity by 2018. The Internet Saathi initiative aims to cover 4,500 villages over the next 18 months, starting with Gujarat, Rajasthan and Jharkhand. India is aiming to achieve universal digital literacy across the country. The prime importance is to make sure every individual can be able to leverage the potential of Digital India. The focus is at least one person in a household should transform into an e-literate. This can be achieved by BBNL which is planning to connect 2, 50,000 panchayats under the scheme. This will ensure the digitization and connectivity of local institutions like panchayats offices, schools, other government offices and libraries etc. India is reforming its government through technology in the name of E-Governance with the advancement of technology and digitalization. Under the e-governance programme, out of 252 schemes planned, 222 services have been provided in short span of time. The nine pillars of Digital India programme clearly confirms that India as a nation is at its nascent stage. One can easily assure that India will be digitally ready in the next three years.

3) Digital India:

The programme contains tasks that target to make sure that govt. services are available to people digitally and people get advantage of the newest information and connections technological innovation. Mahatma Gandhi felt that "India resides in its villages," and technology will help the villages to grow and prosper. Digital libraries, online magazines, e-books can be made available for free which will further help in knowledge sharing. PM Modi rightly said in his speech in San Jose, "*I see technology as a means to empower and as a tool that bridges the distance between hope and opportunity. Social media is reducing social barriers. It connects people on the strength of human values, not identities.*" Technology is a bridge indeed, a bridge that connects the hope that India's villages will be educated and aware to the opportunity of internet and access to information from across the world. 'Digital India' is not just an initiative but a need for this country, where majority of population still does not have

access to the world of internet. The Digital India initiative seeks to lay emphasis on e-governance and transform India into a digitally empowered society. It is to ensure that government services are available to citizens electronically. Digital India also aims to transform ease of doing business in the country. The Department of Electronics and Information Technology anticipates that this program will have a huge impact on the Ministry of Communication and IT. It will focus on providing high speed internet services to its citizens and make services available in real time for both online and mobile platform.

4) Vision Areas:
The vision is focused on three key areas:

> **Infrastructure as Utility to Every Citizen**
> * High speed internet, as a core utility, shall be made available with Public cloud sharable on private space.
> * Bank account and Mobile phone would enable participation in digital and financial space at individual level.
> * Smooth access to a Common Service Centre within their surroundings.
> * Cradle to grave digital identity –lifelong, unique, authenticable and online.
> * Secure and Safe Cyber-space in the country.

> **Digital Empowerment of Citizens**
> * Universal digital literacy.
> * Transportability of all entitlements through the Cloud for individuals.
> * All digital resources available universally.
> * All Government certificates /documents to be available on the Cloud.
> * Collaborative participative governance for digital platforms.

> **Government Services**
> * Availability of digital services / resources in Indian languages.
> * Harmlessly integrated across departments or jurisdictions to provide easy and a single window access to all persons.
> * Government services digitally transformed for improving comfort of Doing Business.
> * Government ministration available in real time from online and mobile platforms.
> * Every citizen entitlements to be available on the Cloud to assure easy access.
> * Making financial transactions above a threshold, electronic and cashless.
> * Edge of GIS for decision support systems and development.

5) Major Projects and Scope of Digital India:
Digital India comprises of various initiatives under the single programme each targeted to prepare India for becoming a knowledge economy and for bringing good governance to citizens through synchronized and co-ordinated engagement of the entire Government. Nine projects have been undertaken. These are as follows:

a) **Highways to have broadband services:** Government aims to lay national opticalfibre network in all 2.5 lakh gram panchayats. Broadband for the rural will be laid by December 2016 and broadband for all urban will mandate communication infrastructure in new urban development and buildings. By March 2017, the government aims to provide nationwide information infrastructure.

b) **Easy access to mobile connectivity:** The government is taking steps to ensure that by2018 all villages are covered through mobile connectivity. The aim is to increasenetwork penetration and cover gaps in all 44,000 villages.

c) **IT Training for Jobs:** This initiative seeks to train 10 million people in townsand villages for IT sector jobs in five years. It also aims to train 0.3 million agents to run viable businesses delivering IT services. Additionally, the project involves training of

Organizing the Unorganized :
Ensuring social and economic security

Mrs. Sukeshani V Jadhav
Research Scholar
Prof. Ramakrishna More College, Akurdi, PUNE
Email:jadhavsukeshani@gmail.com

ABSTRACT : *The Informal sectors / unorganized sectors work is called as black market. The word 'informal sector' was first used by Keith Hart. Informal sectors are involved in small self-employed, home-based jobs, self-employment, agricultural work, construction work and a lot of other temporary occupations. Generally, the individuals involved in informal sector works in urban areas, majority of the workers migrated from rural to urban areas. Working pattern is very different and they have lack of facility for carrying out their business. There has been few attempt to study their working and living conditions. It need to focus more on them and for the betterment of their life and work pattern. The researcher understanding on the problem of social and economic conditions on above factors, this is an attempt to study the socio- economic-condition and working pattern of the unorganized sector.*

Keywords: Unorganized Sector, Socio-economic Condition and Working Patterns.

INTRODUCTION
Unorganized Sector:

The term unorganized sector refers to the firms whose activities are not governed by any legal provision or any collective agreements between workers and employers. This includes home-based jobs, self-employment, agricultural work, construction work and a lot of other temporary occupations. Unorganized sector is one where the employment terms are not fixed and regular, as well as the enterprises, are not registered with the government. The unorganized sector does not give any benefit to the workers in terms of various laws like Minimum Wages Act, Factories Act, etc. The workers have to forego the benefits such as provident fund, gratuity, maternity welfare, etc. All of which were put in place after intense struggles by the Indian working class in the pre- as well as post-Independence period. The term informal is often used in the place of unorganized.

The unorganized manufacturing sector has small household and non-household units This helps in efficient use of resources and management. But they are not economically viable and reveal poor performance indicators as compared to the organized sector which is able to capture the required resources and produce on a larger scale.

Organized Sector:

Organized Sector is a sector where the employment terms are fixed and regular, and the employees get assured work. This is that sector of the economy in which the day of employment and salaries for the workers are guaranteed. Along with this the added benefit like leaves medical funds and checkups are also given to the employees. No worker can be asked to leave the job without a prior notice and no under employment can be exercised. Organized sector includes those businesses, factories, enterprises, industries, schools, hospitals and units which are registered with the government. It also includes shops, clinic and offices that possess a formal license.

Workforce in India:

The Indian Economy is characterized by the existence of a vast majority of informal or unorganized labour employment. As per the Economic Survey 83% of India's workforce include the self-employed and employed in unorganized sector. The Ministry of Labour, Government of India, has categorized the unorganized labour force under four groups in terms of Occupation, nature of employment, specially distressed categories and service categories.
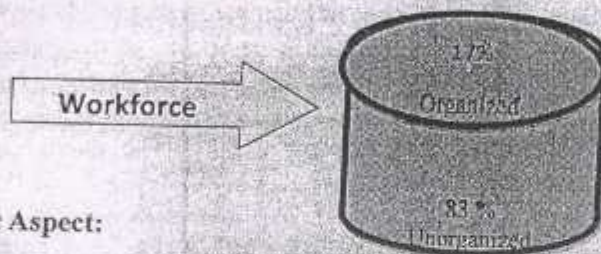
Social - Economic Aspect:

The Indian economy is predominantly agriculture based, with 70% of the population living in rural areas. The agricultural sector contributes 30% of GDP and accounts for 10% of exports. Though agricultural production has increased nearly three and a half times over the past five decades, Indian agriculture is still highly traditional and monsoon dependent. The livelihoods of small farmers and landless laborers, who constitute the majority of the rural population, have remained generally poor.

The current trend of increasing industrialization hints at a possible diversion of agricultural land to other uses such as housing, roads and industry, leading to new complexities between the rural population and industrial forces and causing social resentment and unrest. Agro-based industries such as food processing, food preserving, food packaging, recycling of agricultural wastes, etc., are possible development areas related to agriculture.

Need for the study:

Employees play an important role in the industrial production of the country. Hence, organizations have to secure the cooperation of employees in order to increase the production and to earn higher profits. The cooperation of employees is possible only when they are fully satisfied with their employer and the working conditions on the job. In the past, industrialists and the employers believed that their only duty towards their employees was to pay them satisfactory wages and salaries. In course of time, they realized that workers require something more important. In addition to providing monetary benefits, human treatment given to employees plays a very important role in seeking their cooperation. Further, human resources

ISBN- 978-93-24457-16-8
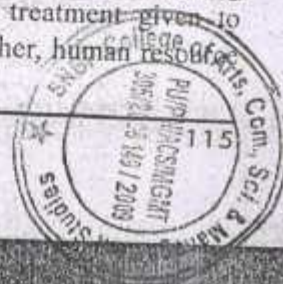
managers realized that the provision of welfare facilities contribute a lot towards the health and efficiency of the workers.

Objectives of the study
- To study the contribution towards economy.
- To find out social and employment security.
- To find the existing network regards economic need.
- To know the nature of work activity.

Importance of unorganized sector in Indian economy:
The unorganized sector plays an essential role by providing job opportunities to a large proportion of workforce and contributing to national product significantly. Its contribution to the net domestic product at present rates is above 60 per cent. The share of household sector in the savings with respect to total gross domestic saving, in particular unorganized sector, is about three fourth. Currently, Indian economy is passing through a process of economic reforms and liberalization during which, to compete in the world market, merger of various industries and technology up gradation and innovation take place to improvise the output in terms of cost and quality. The less efficient units either move out of business or merge with the better performers.
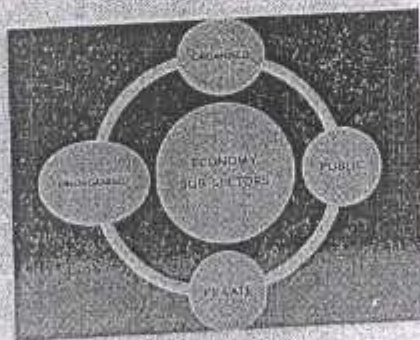
Major characteristics of the unorganized sector
1. Majority of the unorganized workers do not have stable employment as the sector suffers from major seasonal employment opportunities.
2. They are subjected to slavery and destitution due to their low wages which is inadequate to meet their livelihood needs.
3. They are significantly exploited and encounter poor working conditions and low wages compared to a similar job in formal sector.
4. The basic technologies and old production relations are still existent in unorganized sector and the workers are not encouraged to implement advanced technologies or better production relations. The illiteracy and limited exposure to the outside world are also stated as reasons for such condition.

Problem in workforce	Problem faced by government
1.90% of of workforce vast in informal sector	1 Problem of identification
2.Extended work hour/exploitation	2 Workforce uneducated about the benefits of organized sector
3.No concept of occupational safety	3 Scattered nature of sector
4. Lack of implementation of health and safety legislation.	4 Same labour laws cannot be applied
5.No concept of trade union	

Business Innovations and Entrepreneurship

TRANSFORMING WORLD ECONOMY

Editors

Ranjana Patel

Nitin Tanted

Yogeshwari Phatak

Raj Kishore Sharma

Feb. 2012.

Contents

25

Organisation's Interventions to Work-Life Balance

Reshma Nathani*
Sudhir Atwadkar**

Work-Life Balance does not mean an equal balance. Trying to schedule an equal number of hours for each of your various work and personal activities is usually unrewarding and unrealistic. Life is and should be more fluid than that. At the core of an effective work-life balance definition are two key everyday concepts that are relevant to each of us. They are daily achievement and enjoyment, ideas almost deceptive in their simplicity. Work-life balance has become a subject of concern for both research scholars and business leaders in view of the contemporary demographic, technological, market, and organisational changes associated with it. However, there has been little academic attempt to provide a holistic picture of Work-Life Balance Benefits and Programmes (WLBPs) offered by various organisations in India. The present paper has made an effort to understand the current status of WLBPs in Indian organisations and to identify its future prospects. The paper has discussed the challenges for effective implementation of such policies, which can help HR managers to be cautious before introducing WLBPs in their respective organisations. Analysis of literature and available data suggests that family-friendliness of employers in India have been in various welfare provisions which has been a matter of concern for employers since industrialization. However, these policies and practices are more prominent in new economy organisations such as software and services organisations. Moreover, the range of WLBPs varies across organisations and there is still a long way to go when WLBPs will become strategic HR initiatives in most organisations. The paper suggests that organisations need to incorporate WLBPs and encourage a culture that support utilizing them to ensure employee commitment and productivity. While introducing WLBPs, congruence between employee needs and organisational values also should be considered.

Keywords: Interventions, Work-Life Balance.

* Faculty, Alard Institute of Management Sciences, Pune.
** Faculty, Institute of Business Management and Research, Chakan.

Work-life balance is a broad concept including proper prioritizing between work (career and ambition) on the one hand and life (Health, pleasure, leisure, family and spiritual development) on the other. The expression work-life balance was first used in the United Kingdom in the late 1970s to describe the balance between an individual's work and personal life. In the United States, this phrase was first used in 1986. Employees have many methods, such as emails, computers and cell phones, which enable them to accomplish their work beyond the physical boundaries of their office. Employees may respond to an email or a voice mail after several hours or during the weekend, typically while not officially on the job. Researchers have found that employees that consider their work roles to be an important component of their identities will be more likely to apply these communication technologies to work while in their non-work domain.

An overloaded employee is more prone to injury or mistake and becomes less productive. According to a survey conducted by the National Life Insurance Company, four out of ten employees state that their jobs are extremely stressful. Those in high-stress jobs are three times more likely than others to suffer from stress-related medical conditions and are twice as likely to quit. The study states that women, in particular, report stress related to the conflict between work and family. Workplace has become the single greatest source of stress. Problems caused by stress have become a major concern to both employers and employees. Symptoms of stress are manifested both physiologically and psychologically. Persistent stress can result in cardiovascular diseases, sexual health problems, a weaker immune system and frequent headaches, stiff muscles, or backache. It can also result in poor coping skills, irritability, jumpiness, insecurity, exhaustion, and difficulty concentrating. Stress may also perpetuate or lead to binge eating, smoking, and alcohol consumption. According to Esther M. Orioli, President of Essi Systems, a stress management consulting firm, traditional stress-management programs placed the responsibility of reducing stress on the individual rather than on the organisation where it belongs.

The reality of what employees experience, specifically with respect to work-life balance, is a direct result of power operating covertly through ideological controls. This is seen in the ideological norm of the ideal worker. Many organisations view the ideal worker as one who is committed to their work above all else. Ideal workers are those that demonstrate extra-role behaviors, which is seen as a positive attributes. Managers who perceive their female employees of maintaining high work-family conflict were presumed as not as committed to the organisation, therefore not worthy of advancement. This negatively, impacts working mothers as they may be inaccurately perceived to have less commitment to their organisations rather than their counterparts, their advancement in organisations may be unfairly obstructed. The ways in which corporations have modeled the ideal worker does not compliment the family lifestyle. Long hours and near complete devotion to the profession makes it difficult for working mothers to participate in getting ahead in the workplace. An article in Fortune magazine (1968) discussed that among the most powerful women in business (female CEOs, presidents and managing directors of major corporations), 29 percent were childless compared to 90 percent of men.

Young adults believe that parents should get involved and support the children both economically and emotionally, as well as share labor equally. Young people do not believe that work-life balance is possible and think that it is dangerous to build a life dependent on another when relationships are unpredictable. They are looking for partners to share the

house work and family work together. Both men and women believe that women should have jobs before considering marriage for better life and to be happy in marriage. Young people do not think that their mother's generations were unhappy. They also do not think that they were powerless because they were not economically dependent. Employee interactions with the organisation, through other employees, management, customers, or others, reinforces (or resists) the employee identification with the organisation. Simultaneously, the employee must manage their true self identification. In other words, identity is fragmented and constructed through a number of interactions within and out of the organisation; employees don't have just one self.

Most employees identify with not only the organisation, but also other facets of their life (family, children, religion, etc.) Sometimes these identities align and sometimes they do not. When identities are in conflict, the sense of a healthy work-life balance may be affected. Organisation members must perform identity work so that they align themselves with the area in which they are performing to avoid conflict and stress.

RATIONALE

The demand for work-life balance solutions by employees and managers is expanding at an unprecedented rate. As a result, work-life balance is an increasingly important topic of discussion. Today's business environment is competitive and technologically advanced. Thus, it has also affected the timing standards to a great extent and thus, it is necessary to understand and cope up with these situations and also seek Work-life balance.

OBJECTIVE

To study the satisfaction level of employees in the organisation regarding work-life balance.

RESEARCH METHODOLOGY

The Study: The scope of the study is to understand the real situation of employees working in an organisation regarding maintenance of their work-life balance.

The Data: The primary data for the present study was collected from 100 employees with the help of self structures questionnaire. The data is collected from Alard Group of Institute, an organisation running under Alard Charitable Trust in Pune.

Tools for Data Collection: Data is collected with the help of self designed questionnaire.

Tools for Data Analysis: The collected data is analysed with the help of percentage analysis.

RESULTS

Table 1 shows that out of 100 respondents, 44 respondents spend more hours than they would like at work whereas 56 respondents spend regular working hours only. Table 2 reveals that out of 100 respondents, only 36 respondents spend more hours than they would like working at home through business calls, e-mails, projects, etc. Table 3 shows that out of 36 respondents who would like to work at home, 16 respondents would like to work for 1-4 hrs/week on an average whereas 12 respondents would like to spent up to 5 hrs average per week. Out of 100 respondents, 44 respondents think about work instead of focusing on home/pleasure activities (Table 4). Table 5 reveals that out of 100 respondents, 36 respondents, i.e., 44% persons have given up activities enjoying to work whereas Table 6
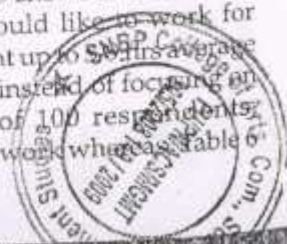
reveals that out of 36 respondents, 28, 4 and 4 respondents have been given up 1-3, 4-6 and 7+ activities, respectively enjoyed by them while working. Table 7 shows that out of 100 respondents, only 30 respondents get enough sleep, exercise and healthy food. Out of 100 respondents, only 52 respondents spend time with their loved ones (Table 8). Table 9 shows that out of 100 respondents, 76 respondents spend most of time doing work most important to them. Table 10 shows that out of 100 respondents, only 20 respondents are happy. Table 11 reveals that out of 100 respondents, only 52 respondents live their ideal life.

CONCLUSION

From the present study, it was found that out of 100 respondents, 44 respondents are spending more hours than they would like at work. Most of the respondents don't like working at home. Nearly 50 percent of respondents think about work instead of focusing on home and pleasure activity. The study also shows that about 64 respondents have given up activities enjoying to work. It is also observed that about 48 respondents are not able to spend as much time as they would like with their loved ones. The study also reveals that most of the respondents spend most of their time doing work important to them and about 52 respondents are living their ideal life.

There should be flexible working as the recession has drastically changed the nature of the work, reducing the number of full-time jobs causing many organisations to rely on part-time and temporary staff, assigning them flexible working schedules. To maintain work-life balance, a proper schedule must be designed and also people should try to priorities their work for effective and better life.

Bibliography

Burke, Peter, *The Invention of Leisure in Early Modern Europe in Past and Present,* (146), *Life*, issue October 4, 1968, p.42

Krassner, Paul, Adler, Harry, Claus, Richard, Godofsky, Laura, Rosen, Irwin, Quinn, Carole & Avima, Ruder, "An Impolite Interview with Paul Krassner" In *Realist,* n. 41, June 1963, 24, quotation: One of the Aspects of Happiness is when you can make as little Distinction as Possible between your Work and your play.

Boswell, Wendy & Julie Olson-Buchanan, "The Use of Communication Technologies after Hours: The Role of Work Attitudes and Work-Life Conflict," *Journal of Management* 33(4), (2007), 592-608

Barker, James, "Tightening the Iron Cage: Concertive Control in Self-Managing Teams," *Administrative Science Quarterly*, 38, (1993), 408-437

Boswell, Wendy & Julie Olson-Buchanan, Use of Communication Technologies after Hours: The Role of Work Attitudes and Work-Life Conflict, *Journal of Management*, 33(4), (2007), 592-608

Boswell, Wendy, & Julie Olson-Buchanan, The Use of Communication Technologies after Hours: The Role of Work Attitudes and Work-Life Conflict, *Journal of Management*, 33(4), (2007), 592-608

Williams, J., *Unbending Gender: Why family and Work Conflict and What to do about it*, New York, NY: Oxford University Press, (2000)

Webliography

http://www.msnbc.msn.com

http://www.msn.com

http://www.hrmguide.co.uk

http://www.google.co.in

ANNEXURES

Table 1: Hours Spent at Work

Sr.	Respondents spending hrs other than work	NOR	Percentage
A	Yes	44	44
B	No	56	56
	Total	100	100

Table 2

Sr.	Respondents spending hrs. working at home	NOR	Percentage
A	Yes	36	36
B	No	64	64
	Total	100	100

Table 3

Sr.	Working hrs at home in an avg. week	NOR	Percentage
A	1-4 Hrs.	16	45
B	5-9 Hrs.	12	33
C	10+ Hrs.	08	22
	Total	36	100

Table 4

Sr.	Respondents thinking about work instead on home/pleasure activities	NOR	Percentage
A	Yes	44	44
B	No	56	56
	Total	100	100

Table 5

Sr.	Respondents given up activities enjoying to work	NOR	Percentage
A	Yes	36	44
B	No	64	56
	Total	100	100

Table 6

Sr.	Activities given up by respondents	NOR	Percentage
A	1-3 activities	28	78
B	4-6 activities	04	11
C	7+ activities	04	11
	Total	36	100

Table 7

Sr.	Respondents getting enough sleep, exercise and healthy food	NOR	Percentage
A	Yes	30	30
B	No	70	70
	Total	100	100

Table 8

Sr.	Respondents spending time with their loved ones	NOR	Percentage
A	Yes	52	52
B	No	48	48
	Total	100	100

Table 9

Sr.	Respondents spending time doing what is most important to them	NOR	Percentage
A	Yes	76	76
B	No	24	24
	Total	100	100

Table 10

Sr.	Respondents spending time doing what is most important to them	NOR	Percentage
A	Yes	20	20
B	No	80	80
	Total	100	100

Table 11

Sr.	Respondents living Ideal life	NOR	Percentage
A	Yes	52	52
B	No	48	48
	Total	100	100

Business Innovations and Entrepreneurship

TRANSFORMING WORLD ECONOMY

The importance and need for innovation has been discussed for decades and continues to be the most talked about management issue. Innovation as a driver for growth, profitability and success of an organization includes people, leadership, creativity, processes and organizational culture. Innovation is the specific instrument of entrepreneurship. The survival of entrepreneurs is highly dependent on developing new products and services.

This book is a compilation of the edited research papers and articles representing various viewpoints and strategies that can prove beneficial to modern day business organisations in their functional areas especially in the areas of entrepreneurship and innovation.

This book consists of 55 chapters classified into five parts viz. General Management, Economics and Finance, Marketing, Human Resource Management and Information Technology. The first part discusses the topics on Dumping Scenario in India and China, Euro Zone Crises, Knowledge Management, Application for Effective Teaching, Managing Innovation for Competitive Advantage, Entrepreneurial Orientation and Transition of Women Enterprises, to name a few.

The second part covers the topics like Growth of Textile Industry in India, Capital Adequacy Ratio and Performance of Public Sector Banks in India, Relevance of Price Earnings Ratio in Determining Market Price of Shares, Impact of Foreign Direct Investment Inflows on Employment in India, Impact of Gold Price on BSE Sensex etc.

Topics such as Quality of Work Life of Employees, Knowledge Management as Action Research in Business, Relationship between Morality Quotient and Leadership, Academicians' Perception towards Work Values, Gender as a Predictor of Personality, etc. are included in the third part.

The fourth part mainly comprises of topics like Trends and Issues in SCM, Green Marketing, Changing Focus on Eco-Friendly Products, Adoption of Mobile Number Portability (MNP), Music Preference, Ethics in Advertising, E-Banking and Traditional Banking, Supply Chain Management in the Indian Army and some others.

The fifth and last part of the book includes topics like Innovative Approach for Finding Frequent Item Sets, Green Computing, Online Marketing, Cyber Auditing in Cyber Security, Role of ICT in Indian Education System, and so on.
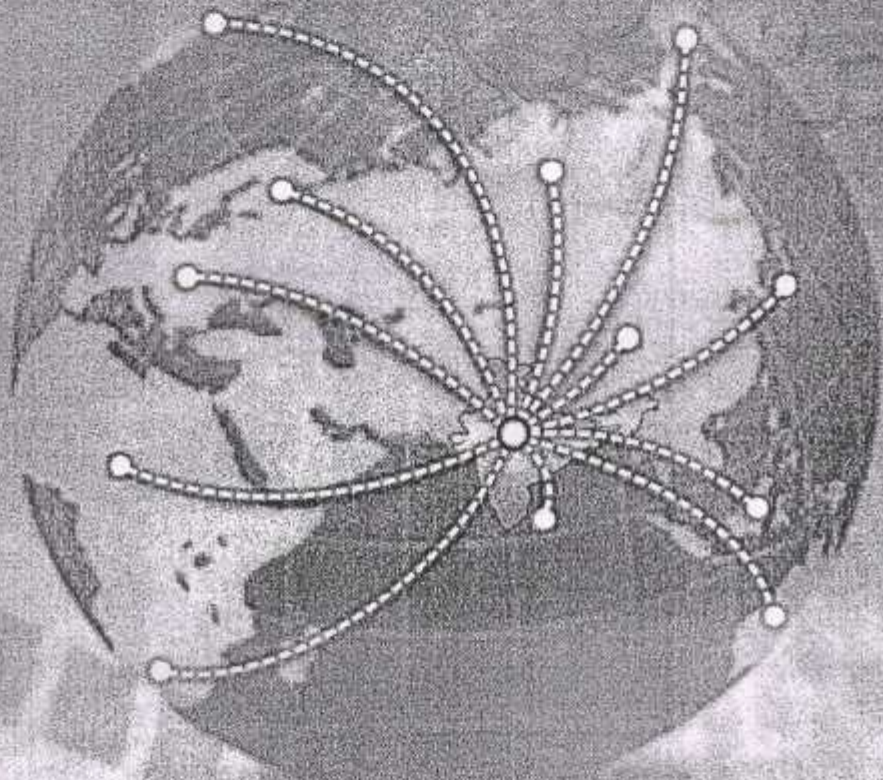
FB

EXCEL BOOKS

₹ 630

MANAGING IN THE
New World Order
STRATEGIES FOR SUSTAINABLE BUSINESS DEVELOPMENT

16

New Avenues and Challenges in Indian Pharmaceutical Industry

Akshata Sakhawalkar*
Sudhir Atwadkar**
Reshma Nathani***

The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. The core issues for most of drug companies are declining productivity of in-house Research and Development (R&D), patent expiration of number of block buster drugs, increasing legal and regulatory concern, and pricing issue. It is found that strategic government policies were the main factors that transformed the status of the Indian pharmaceutical industry from a mere importer and distributor of drugs and pharmaceuticals to an innovation-driven cost-effective producer of quality drugs. In the long run India emerged as one of the fast growing pharmaceutical industry in the world with growing trade surpluses and exports. Considering the current scenario in the Indian Pharmaceutical Industry, an analytical research was conducted to study the financial status of Indian based Pharmaceutical industry thereby focusing on the business opportunities in this area.

Keywords: Indian Pharmaceutical Industry (IPA), Research and Development (R&D), Patents

INTRODUCTION

The pharmaceutical industry in India is going through a major shift in its business model in the last few years in order to get ready for a product patent regime from 2005 onwards. This shift in the model has become necessary due to the earlier process patent regime put in place

* Faculty, Department of Computer Science, Sinhgad Institute of Management, Pune.
** Faculty, Department of Management, IBMR Chakan, Pune.
*** Faculty, Department of Computer Science, Alard Institute of Management, Pune.

since 1972 by the Government of India. As stated by Gerster (2008). The Indian pharmaceutical industry is a success story providing employment for millions and ensuring that essential drugs at affordable prices are available to the vast population of this subcontinent. This was done deliberately to promote and encourage the domestic health care industry in producing cheap and affordable drugs. As prior to this the Indian pharmaceutical sector was completely dominated by multinational companies (MNCs). These firms imported most of the bulk drugs (the active pharmaceutical ingredients) from their parent companies abroad and sold the formulations (the end products in the form of tablets and capsules, syrups etc.) at prices unaffordable for a majority of the Indian population. This led to a revision of Government of India's (GOI) policy towards this industry in 1972 allowing Indian firms to reverse engineer the patented drugs and produce them using different process that was not under patent. T⌐ entry of MNC's was also discouraged by restricting foreign equity to 40 percent. The licensing policy was also biased towards indigenous firms and firms with lesser foreign equity. All these measures by GOI laid the foundation to a strong manufacturing base for bulk drugs and formulations and accelerated the growth in the Indian Pharmaceutical Industry (IPI), which today consists of more than 20,000 players.

PHARMACEUTICAL COMPANIES IN INDIA

As a result the Indian pharmaceutical industry today not only meets the domestic requirement but has started exporting bulk drugs as well as formulations to the international market. Currently the main activities of Indian pharmaceutical industry are broadly restricted to producing bulk drugs and formulations with very few companies risking investing in primary research aimed at developing and patenting new drugs. The bulk drug business is essentially a commodity business, whereas the formulation business is primarily a market driven and brand oriented business. Multinational companies which have entered the Indian market have mostly restricted themselves to formulation segment till date. The domestic pharmaceutical industry (MNC's and Domestic) meets about 90 percent of the country's bulk drug requirement and almost the entire demand for formulations. The economics of bulk drug business and that of formulation business are quite different. Since a majori⌐ the Indian companies are producing both bulk as well as formulations, these are considered together for the purpose of the present study.

THE CHANGING ENVIRONMENT

During the early 1990s, markets were opened by removing restrictions on imports and in 1994 licensing was abolished for producing bulk drugs and formulations. Other than this FDI restrictions into this sector have been modified to allow 74 percent foreign equity through the automatic route. More favorable conditions are to follow in future particularly for MNC's as soon as Product Patents and Exclusive Marketing Rights (EMR's) are permitted. In situation like this, there is a lot of speculation that the indigenous companies that have been the mainstay of the Indian pharmaceutical industry over the past couple of decades finally becoming a formidable part of Indian economy and a major source of foreign income might be facing uncertain market conditions in the future. It may also come down to a state where most of the small scale companies have to close down, with the multinational companies dominating and monopolize the industry once again. The justified reason for this is, so far Indian companies have made use of the cheap labour and the reverse engineering skills under the favorable conditions of process patent regime and developed generic replicas to

drugs that were under patent in developed countries, which then were sold in the domestic markets and exported to other unregulated markets elsewhere in the world.

This generic business enabled them to compete with multinational companies in India and abroad and resulted in good revenues. However, once the product patent regime gets implemented from the year 2005, it is not permissible to reverse engineer drugs that are patented after 1995, and the revenues from this business will suffer. In contrast, the multinational companies in India, which have an impressive new product portfolio, will get exclusive marketing rights to sell their products at higher prices and will be in a position to dictate the terms. In such a scenario, survival of Indian companies depends on producing generics of drugs whose patent has lapsed and export the same to regulated markets. This is possible only if these firms are able to formulate these products at much lower prices allowing then to face competition from established players in the international markets. Other than this, avenues like contract research and manufacturing for multinational companies have become popular business models for many small scale and medium scale firms. Given this situation it is highly likely that individual firms adopt different strategies for growth. These strategies are dependent more on the management's perception of the individual firm's strength in terms of finance, manpower and material in relation with the other firms within the industry for a given environmental context. Some of these strategies may end in failure due to unexpected changes in the environment or bad judgment on the part of the management.

The above question becomes very important for firms which operate in a transition economy. This is particularly true if the transition is aimed towards being a part of the global economy. This would create an environment where firms are faced with a completely new opportunity set in terms of investment and growth. These opportunities encourage firms to adopt high growth strategies at the cost of immediate returns. The success or failure of any such strategies is dependent on the nature of competition faced by these firms over time. Therefore, it would be very reasonable to assume that a firm's internal efficiencies may become the crucial deciding factor in dictating the survival and growth of these firms in various segments of pharmaceutical industry.

Cost Structure/Performance indicators of Indian Pharmaceutical Industry

The pharmaceutical industry is characterized by low fixed asset intensity and high working capital intensity (ICRA 2002). The Material cost, Marketing and selling cost and Manpower Cost constitute the three major cost elements for the Indian pharmaceutical industry, accounting for close to 70 percent of the operating income. In the past 6-7 years, material costs, which account for almost 50 percent of the operating cost have declined owing to the decrease in prices of bulk drugs and intermediates, increase in exports which enabled procurement of raw materials in large quantities and hence at low prices and finally due to increase in production efficiencies Vimta Labs, (2006).

On the other hand, the marketing and selling expenses, comprising of promotional expenses, trade discounts, advertising and distributing costs; and freight and forwarding costs have increased in the past few years owing to the increase in emphasis on sales of formulations. This increased focus on marketing partly lead to the increase in the manpower costs of pharmaceutical companies during the last decade. The other factor for the increase in the manpower costs, at least in case of a few companies might be due to an increase in R&D efforts, which requires quality research personnel.

Global Pharma R&D hub

India, along with China, is fast becoming a pharmaceutical research and development (R&D) hub. Multinational drug firms are increasingly outsourcing early-stage drug discovery to India. Although intellectual property issues remains, yet things are getting better day by day. Several Indian drug firms, including Dr. Reddy's Laboratories, Ranbaxy, Sun Pharma and Primal Life Sciences, have spun off their R&D units into separate entities from their manufacturing and marketing operations, mainly to catch the interest of Western companies. Analysts expect the ongoing economic meltdown to affect R&D spending by Indian firms just as it has affected multinationals'. Already, Dr. Reddy's has slashed funds for new R&D. Even firms such as Piramal Life Sciences, Wockhardt and Sun Pharma, which have not cut R&D spending yet, may opt for such measures if the financial situation does not improve, the analysts say. But by cutting such costs Indian drug makers could have problems with their R&D tie-up deals with overseas players.

The Indian Pharmaceutical Industry

India currently represents U.S. $6 billion of the $550 billion global pharmaceutical industry and its share is increasing at 10 percent a year RNCOS, (2006). India's potential to further boost its already-leading role in global generics production, as well as being an offshore location of choice for multinational drug manufacturers seeking to curb the increasing costs of their manufacturing, R&D and other support services, presents an opportunity worth an estimated $48 billion in 2007. Pharmaceutical production costs are almost 50 percent lower in India than in Western nations, while overall R&D costs are about one-eighth and clinical trial expenses around one-tenth of Western levels. India's long-established manufacturing base also offers a large, well educated, English-speaking workforce. The industry provides one of the highest rates of intellectual capital per dollar worldwide. Prescription drugs worth $40 billion in the U.S. and $25 billion in Europe are due to lose patent protection by 2007-08. It is forecast that Indian companies will likely take around 30 percent of the increasing global generics market. Currently, the Indian industry is estimated to account for 22 percent of the generics world market. Low production costs give India an edge over other generics-producing nations.

Biotechnology Generics: Companies based in India and China could be among the first to bring biogenerics (generic versions of biological products) to the regulated markets. In 2003-04, biopharmaceuticals accounted for 60 percent of India's total biotechnology market. Investment in the sector was up 26 percent. The domestic biopharmaceuticals sector grew 38.5 percent.

Outsourcing IT: As an information technology leader, India, with access to specialist skills and 24/7 work hours, is becoming the destination of choice for contract research, including drug discovery. Companies have been expanding their activities in India to new business segments such as bioinformatics and life sciences.

Contract Manufacturing: The global pharmaceutical market is estimated to represent huge opportunity for India in 2007, in terms of manufacturing outsourcing the supply of active pharmaceutical ingredients and intermediates; development outsourcing conducting preclinical and clinical trials; customized chemistry services contract research services for compounds prelaunch.

New Avenues and Challenges in Indian Pharmaceutical Industry

Contract Research: India is regarded as a R&D 'hotspot', where companies are able to tap into existing scientific and technical expertise networks; there are good links to academic research facilities; the environment supports innovation and it is easy to commercialize. Costs of pharmaceutical innovation in India are estimated at one-seventh of their levels in Europe and the country's clinical research industry is currently growing 40 to 50 percent annually and may be worth as much as U.S. $1 billion to Indian firms in 2008.

METHODOLOGY

The Study: In order to carry out above research views, opinions, etc. of the people who are directly related to Pharmaceutical industry are taken into account. Medical Representatives and Native Pharmacists were key sources for carrying out research study. The following variables are considered while conducting research which comprises dependent, independent and extraneous variables. The variables considered for study are given namely, Sales target, additional benefits given to – Doctors and Pharmacists, Scenario of Salary and incentive, Current status of sale, prices of drugs, category of drugs, frequency of new drugs in the market, sales of health tonics, health foods and other dietary supplements. Two separate questionnaires were used as a tool to extract information from Medical Representatives and Local Pharmacists respectively. The pharmacists were selected who are geographically scattered to ensure unbiased response.

Tools for Data Collection: The present study is based on Primary data as well as Secondary data. The secondary data was collected with the help of Leading Business Newspapers in India, Business Magazines, Internet, etc. The financial year (2008-09) has been considered for carrying out the research work. The earlier financial year results also considered for comparison with the current results. The primary data was collected through two different sets of questionnaires, one for the Medical Representatives and other for the Local Pharmacists. From the population of more than eight hundred pharmacists from different areas of Pune City, 75 pharmacists who are geographically scattered were considered where as from the population of more than thousand Medical Representatives 50 were considered who are working in different Indian based Pharmaceutical companies. The survey was carried out using Judgmental Sampling Technique in the domestic area of Pune City. Pune was divided into regions and from each region at least ten pharmacists have been selected who are geographically scattered in the given region.

Tools for Data Analysis: Percentage and bar graphs have been used for analysis and graphical representation of data.

OBJECTIVES

(i)   To determine the growth of Pharmaceutical sector.

(ii) To determine impact of recession on Pharmaceutical industry in India.

(iii) To determine contribution of Pharmaceutical industry in Indian Economy

(iv) To study the business opportunities in Indian Pharmaceutical Industry.

FINDINGS

The analysis of data has revealed that despite the recession the number of people joining the workforce in the pharmaceutical industry has grown.
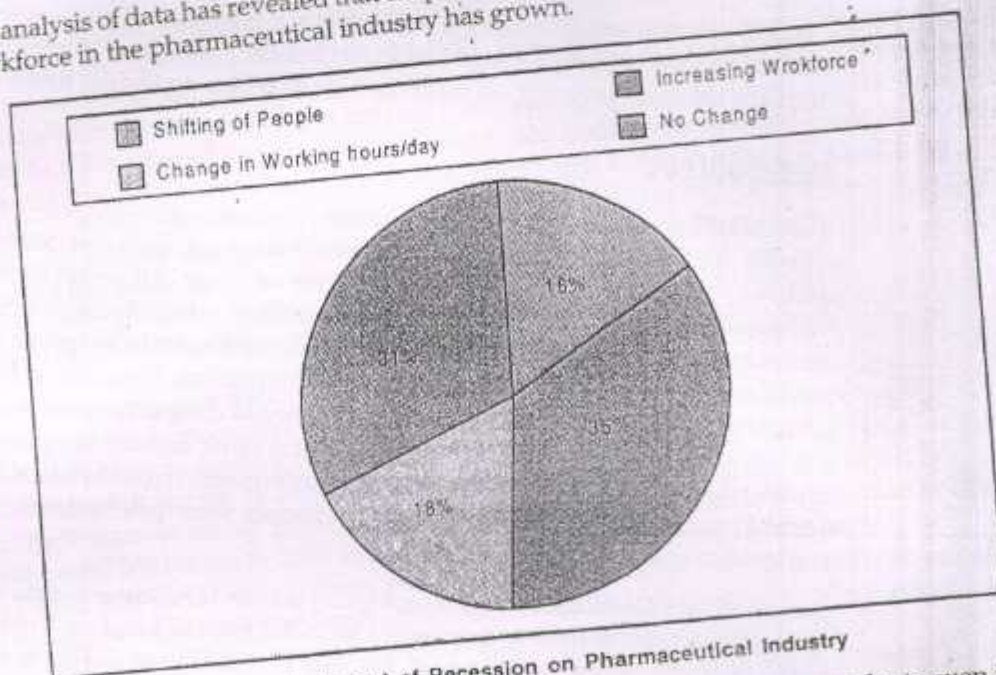
Figure 1: Impact of Recession on Pharmaceutical Industry

There is an increase in the salary and incentives of majority of the repsondents even in the recession period (Figure 2).
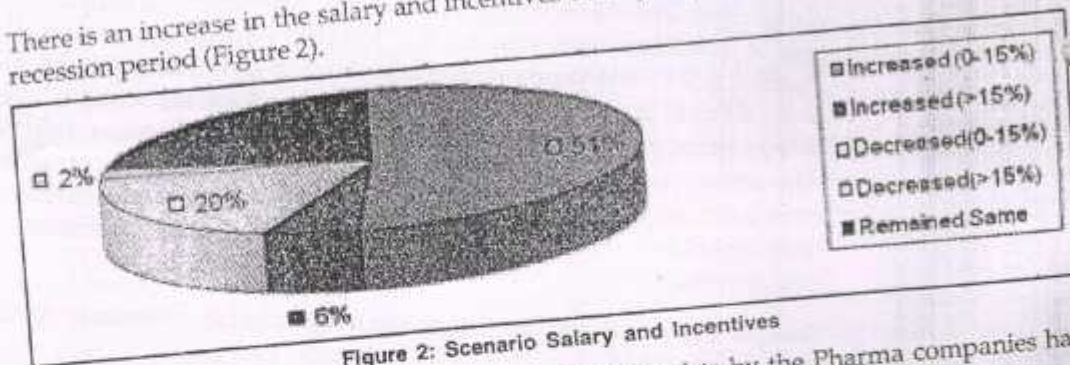
Figure 2: Scenario Salary and Incentives

The additional benefits given to doctors and pharmacists by the Pharma companies has increased (Figure 3).
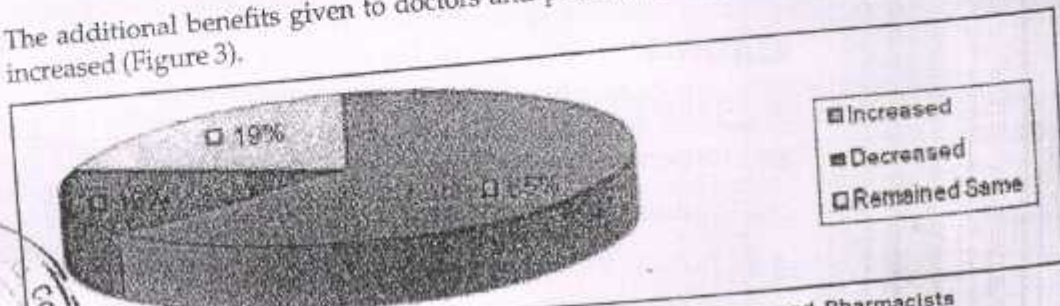
Figure 3: Impact on Additional Benefits given to Doctors and Pharmacists

131

Compared to the sales targets achieved by the medical representative wise in the previous
year the current year targets have maintained or even increased (Figure 4 & 5).

Figure 4: Targets Achieved by Medical Representatives Last Year (08)

Figure 5: Targets Achieved by Medical Representatives Last Year (09)

The sales of Pharma companies has largely increased compared to the pervious year
(Figure 6).

Figure 6: Current Status of Sales at Pharmacists End

Generic drugs demand is higher out 77 percent of the total demand.
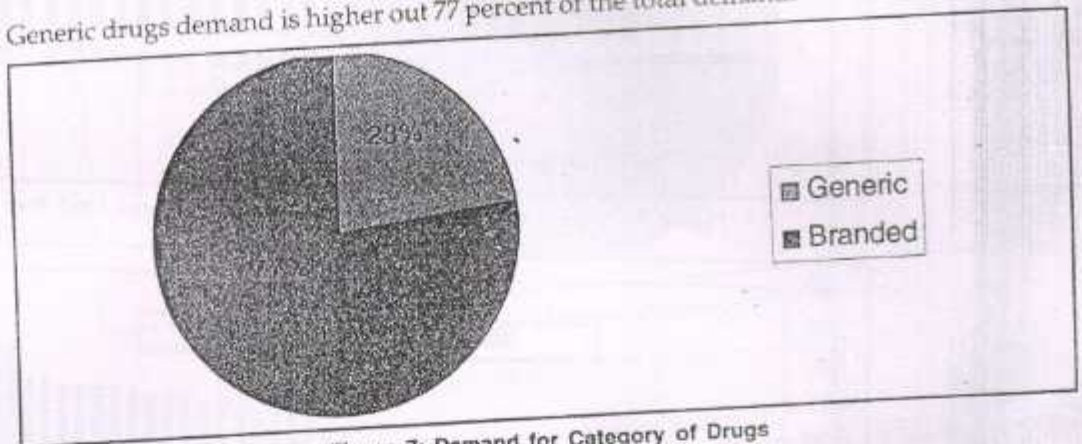
Figure 7: Demand for Category of Drugs

The frequency of introducing new drugs by companies has improved (Figure 8).
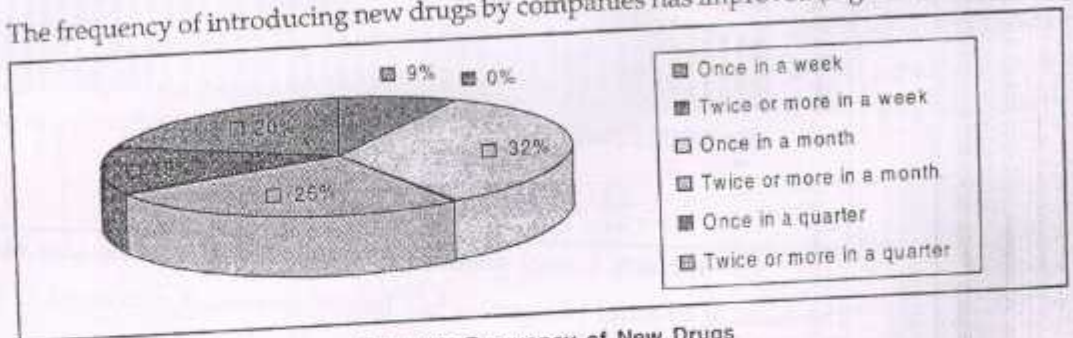
Figure 8: Frequency of New Drugs

The sales of health tonics foods and dietary supplements has decreased as compared for previous years (Figure 9).
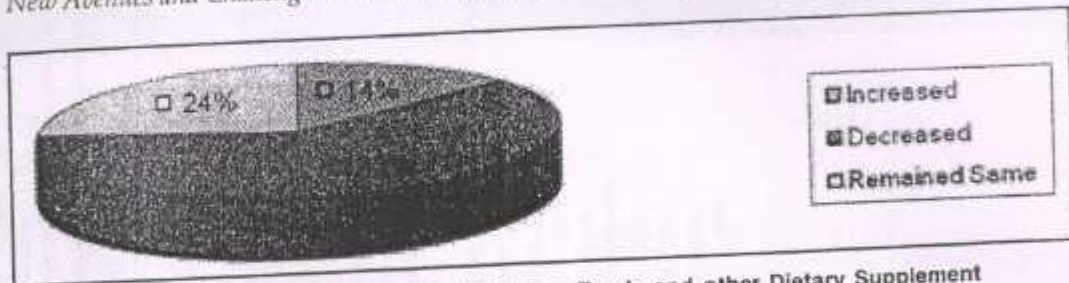
Figure 9: Status of Sales of Health Tonics, Foods and other Dietary Supplement

CONCLUSION

The impact of recession on the Indian Pharma Industries has been negligible as the demand for pharma products doesn't go down. People spend on the health related problems without a thought on their expenses. There has been reduction in the consumption on the health tonics, health drinks, etc. So the company has reduced the production of such products. The growth rate of the Indian Pharma Sector is 9 percent. Less retrenchment and growth in the workforce in this sector was observed in the current year. E.g. Dr. Reddy hires 2000 despite slump. The Pharma comp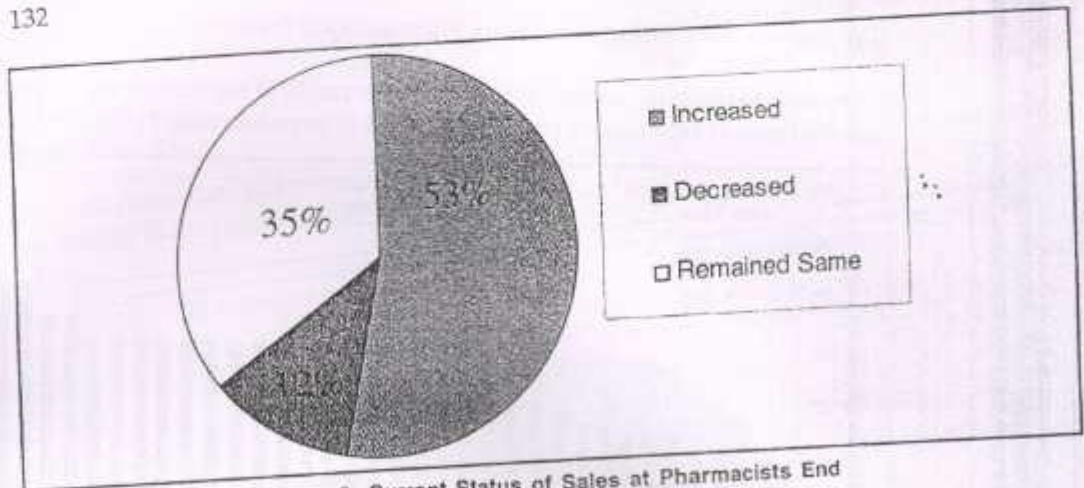anies have been spending heavily on the Research & Development. All these findings and transformation in the business model of larger pharmaceutical companies spells more opportunities in future.

References

Asia Africa Intelligence Wire, *BT has jobs but where are the takers?* 7 January 2005.

The Hindustan Times, Biotech development strategy to boost domestic, foreign investments: CII, 20 May 2005.

Global Newswire – Asia Africa Intelligence Wire, Biotech sector to be single largest job churner: expert. 21 February 2005.

Economist Intelligence Unit: Country ViewsWire, India Industry: Desperate for Quality Healthcare Services, 24 June 2005.

ACN: Asian Chemical News 11:475, NPIL buys Rhodia business for 7m [pounds sterling], 17 January 2005, 6.

Asia Africa Intelligence Wire, R and D spend of top 5 Indian Pharmaceutical Companies Touches Rs1,000 crore, 17 February 2005.

D'Silva, Jeetha (2005). *Pharma SMEs Gasp for Breath as big Companies move to better Climes.* The Economic Times.

Datta, P.T. Jyothi (2005). *More Global Buys by Pharma Cos Likely.* The Hindu Business Line (Internet Edition).

Dyer, Jeff and Khozem Merchant (2004). *An Experiment in Globalization: How India Hopes to Reshape the World Drugs Industry.* Financial Times, 15.

MANAGING IN THE
New World Order
STRATEGIES FOR SUSTAINABLE BUSINESS DEVELOPMENT

In the aftermath of the two World Wars, to maintain a balance of power as well as to regularize cooperation between nations, a dramatic change in the world political thought was witnessed that led to the creation of international organizations such as UN, NATO, etc.

After the turn of the century, specifically during the financial crisis of 2007–2009, many politicians used the term "new world order" in their advocacy for a Keynesian reform of the global financial system. The changes, be it valuation of the dollar, supremacy of the west or the financial stability of institutions and countries, have led to an emerging acceptance of the important role that eastern countries like China and India would play in the future.

With the advent of the new world order, new challenges have come into play. These challenges focus on sustaining a business and pursuing it further to the state of constant excellence. Thus, it becomes imperative to create a different approach to management so as to apply various strategies to business for growth and development.

The present book details some of these issues. It consists of 60 insightful papers drawn from a pool of 160 papers received for the conference. The chapters have been classified into four sections namely Finance, Human Resource Management, Information Technology and Marketing. This book not only looks into the challenges faced in the new world order but also addresses issues like green marketing, rural markets and consumers, women empowerment and other areas that compel the business organizations to take an entirely new look at some ongoing and emerging issues.

The book is an attempt to provide a pool of updated knowledge on varied themes for academicians, consultants, research scholars, practitioners and students.

NAAC
NATIONAL ASSESSMENT AND
ACCREDITATION COUNCIL

Internal Quality Assurance Cell (IQAC)

NAAC Sponsored
National Level Seminar

On

" Innovative Strategies in Teaching,
Learning Process"

26th and 27th August, 2016

PROCEEDING

• Organized by •

Rayat Shikshan Sanstha's

R. B. NARAYANRAO BORAWAKE COLLEGE,
SHRIRAMPUR

INDEX

ICT: A NEW MODE TO IMPROVE PERFORMANCE OF EDUCATION

Sudhir A. Atwadkar, Umeshwari P. Patil

SNBP College of Arts Commerce Science & Management Studies, Pune

E-mail: sudhir.atwadkar@gmail.com

Abstract

This article discusses the Roles of ICT in education to improve the performance. Information communicationtechnologies (ICT) at present are influencing every aspect of human life. Globalization and innovations in technology have led to an increased use of ICTs in all sectors - and education is no exception. They areplaying salient roles everywhere. Uses of ICTs in education are widespread and are continually growing worldwide. It is generally believed that ICTs can empower teachers and learners, making significant contributions to learning and achievement. Many teachers are reluctant to use ICTs, especially computers and the internet. Some of the reasons for this reluctance include poor software design, skepticism about the effectiveness of computers in improving learning outcomes, lack of administrative support, increased time and effort needed to learn the technology and how to use it for teaching. Moreover, many people recognize ICTs as catalysts for change; handling and exchanging information, teaching methods, learning approaches, scientific research, and in accessing information. Therefore, these article discussesthe roles of ICTs, the promises and key challenges of integration to education systems. ICT benefits education systems to provide quality education in alignment with constructivism, which is a contemporary paradigm of learning.

Keywords: ICT, Internet, Education, Performance, Change.

1) Introduction

Today's world is globalised and become more & more completive from all angles. Day by day requirements are going to be change and survival is more difficult. To survive, everywhere need better quality and performance. The world becomes technological and changing needs of industries change the face of requirements and maintain speed of developments, required the talented and skilled human power. Everywhere various technologies are going to be adopted to perform various tasks for better performance. Education system is not exceptional. The whole, from primary to professional education system is influenced by these. There is need to change in existing education patterns and systems. The various studies suggest that adoption of information and communication technology is the best solution.

To accurately understand the importance of ICT in Education there is need to actually understand the meaning of ICT.ICTs stand for *information and communication technologies* and are defined, for the purposes of this primer, as a diverse set of technological tools and resources used to communicate, and to create, disseminate, store, and manage information.ICT permeates the business environment, it underpins the success of modern corporations, and it provides governments with an efficient infrastructure. At the same time, ICT adds value to the processes of learning, and in the organization and management of
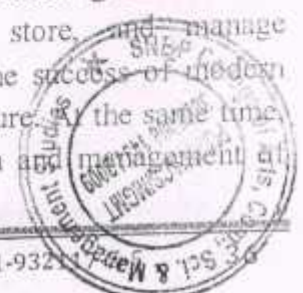
learning institutions. The Internet is a driving force for much development and innovation in both developed and developing countries. Countries must be able to benefit from technological developments. To be able to do so, a cadre of professionals has to be educated with sound ICT backgrounds, independent of specific computer platforms or software environments. Technological developments lead to changes in work and changes in the organization of work, and required competencies are therefore changing. Gaining in importance are the following competencies: *Critical Thinking, Generalist Competencies, ICT competencies enabling expert work, Decision-making, Handling of dynamic situations, Unity in member of a team and Communicating effectively.*

Many countries now regard understanding ICT and mastering the basic skills and concepts of ICT as part of the core of education, alongside reading, writing and numeracy to develop the basic building blocks of modern society. As UNESCO's aims is to ensure that all countries, both developed and developing, have access to the best educational facilities necessary to prepare young to play full roles in modern society and to contribute to a knowledge nation. Maintaining a competencies to advise national governments on the use of technology in schools and, in particular, on the optimal balance, given local circumstances, between ICT and older educational technologies and assisting countries in developing educational software and materials that reflect their own national and regional cultures are key components of the Organization's strategy to achieve the *Education for All goals.* The core aimof the Strategy for Information and Communication Technology Implementation in Education is to make available the prospects and trends of integrating information and communication technology (ICT) into the general and learning educational behavior and are avoid some unavoidable facts.

The objectives of ICT implementation in education are:

> To creates the standards of life-long learning education.
> To develop a mixture of educational services and technique.
> To promote equal opportunities to acquire information.
> To develop a system of collecting and disseminating educational information and distance education with required contents.
> To generates technological awareness and literacy of all, especially for students.
> To buildup the culture of learning skills, expansion of optional and open source of learning.

2) **Information and Communication Technologies (ICTs):**

The purpose of review article isto discuss the benefits of ICT use in education, in the enhancement of student learning and experiences of some countries in order to encourage policy makers, school administrators, and teachers pay the required attention to integrate this technology in their education systems.

Information and Communication Technologies (ICTs) are often linked with the most sophisticated and expensive computer-based technologies. But ICTs covers the oldertechnologies such as radio, television and telephone. While definitions of ICTs are vary, 'ICTs are basically information-handling tools- a varied set of mechanisms, applications and services that are used to produce, store, process, distribute and exchange information. It includes the 'old' and the 'new' ICTs of computers, satellite and wireless tech

Internet. The combinations of these different tools are able to work together, and form our 'networked world' – a massive infrastructure of these technologies reaches into every corner of the World'. These older and more familiar technologies are referred to under the collective heading of "analogue media" while the newer computer and Internet based technologies are called the "digital media". However, in today's world, with the increased mixture of the engineering designs and with the coming together of the satellite and the computer, the dividing lines between these different media are becoming fuzzy and consequently, the way people define and refer to ICTs is also getting fuzzy.

Livingstone (1999), in an extensive exploration of the idea of newness, has argued that the notion of "new" can either be seen with reference to the "newness of technology" or in the context of "what's new for society" about these media. Livingstone further argues that what is new for the western world is not necessarily so for the rest of the world. Within a social context, the introduction of radio or television may be as "new" as the introduction of Internet. While there is much euphoria about the ICTs, after more than half a century of research, social scientists are still skeptical about tall and ill defined claims about potential societal changes that may follow a technological innovation. This means that 'new" cannot merely be defined either in terms of time and time scales or in terms of the technology innovation.

In Watson's (2001) description, ICTs have revolutionized the way people work today and are now transforming education systems. As a result, if schools train children in yesterday's skills and technologies they may not be effective and fit in tomorrow's world. This is a sufficient reason for ICTs to win global recognition and attention. For instance, ICTs are dependable tools in facilitating the attainment of one of the Millennium Development Goals (MDGs), which is achievement of universal primary education by the year 2015.

Kofi Anan, the former United Nations Secretary General, points out that in order to attain the goal of Universal Primary Education by the year2015; we must ensure that information and communication technologies (ICTs) unlock the door of education systems. This indicates the growing demand and increasingly important place that (ICTs) could receive in education. Since ICTsprovide greater opportunity for students and teachers to adjust learning and teaching to individual needs, society is, forcing schools to give appropriate response to this technical innovation.

Even though ICTs play significant roles in representing equalization strategy for developing countries, the reality of the digital divide- the gap between those who have access to, and control technology and those who do not, make a huge difference in the use of ICTs. This means, that the introduction and integration of ICTs at different levels and various types of education is the most challenging undertaking. Failure to meet the challenges would mean a further widening of the knowledge gap and deepening of existing knowledge and social inequalities among the developed and the developing countries.

Operational terms in Information Communication:

- Technologies (ICT) in this review article refers to the computer and internet connections used to handle and communicate information for learning purpose.

- E learning: is a learning program that makes use of an information network- such as the internet, an intranet (LAN) or extranet (WAN) whether wholly or in part, for course delivery, interaction and/or facilitation. Web-based learning is a subset of e learning and refers to learning using an internet browser such as the moodle, blackboard or internet explorer.

- Software: is a generic term for organized collections of computer data and instructions, often broken into two major categories: system software that provides the basic non-task-specific functions of the computer, and application software which is used by users to accomplish specific tasks.

- Hardware: is the collection of physical elements that constitutes a computer system. Computer hardware is the physical parts or components of a computer, such as the monitor, keyboard, HDD, graphic cards, sound cards, RAM, motherboard, and so on, all of which are tangible physical objects. By contrast, software is instructions that can be stored and run by hardware.

- Blended Learning: refers to learning models that combines the face-to-face classroom practice with e-learning solutions. A teacher may facilitate student learning in class contact and uses the module (modular object oriented dynamic learning environment) to facilitate out of class learning.

- Constructivism: is a paradigm of learning that assumes learning as a process individuals ''construct'' meaning or new knowledge based on their prior knowledge and experience (Johansson, 1991). Educators also call it the emerging pedagogy in contrast to the long existing behaviorism view of learning.

- Learner- centered learning environment: is a learning environment that pays attention to knowledge, skills, attitudes, and beliefs that learners bring with them to the learning process where its impetus is derived from a paradigm of learning called constructivism. In the context of this article, it means students personal engagement to the learning task using the computer and or the internet connection.

3) ICTs and Education:

The role of ICTs in education can be argue in both ways - the changing nature of the learner and demand of education for all, and the reality that the existing educational system cannot cope with the demand for education on the one hand, and the issues of access, equity, and resources on the other.

Liberalization, privatization, and globalization constitute the current social, economic, technological and political space within which electronic and all other media haveto exist, survive, and function. Revolutions in information and communication technologies have reduced national boundaries to meaningless lines drawn on maps. And in the new scenarios, education has been identified as one of the main services, which need to be opened up for free flow of trade (exchange of information) between countries. The form of this flow will become clear only when GATS comes into full force after rounds of negotiations among participating countries. Then, more than now, knowledge is expected to become a tradable commodity; and it will be essential that Indian educators keep pace with the change or else

perish in the face of competition from multinational forces in all fields of education and learning. At the same time, changes in the capabilities, needs, and interests of the user; changes in the medium and its content, the close interdependence of the media and the competition of each medium to survive, and changes in the availability and attractiveness of accessible alternatives; interact freely with social, economic and political and technological contexts.

The notion that teaching and learning can be taken out of the confines of existing schools and colleges, that teaching can be individualized and insensitive to geo-climatic distances is one which has emerged out of the telecommunications revolution. And yet, the urban-rural divide in terms of *access, equity,* and *resources* will continue to be the main issues that Indian educators, particularly adult educators will have to address as the needs of the learning community in the new social, economic and political contexts will change.

There are four group of learners in the new educational system, the first group will consist, who able to afford the high cost of education. The second group will consist of intelligent and competent students, who unable to afford the cost of education. A third group will consist of the academically and financially poor students, who will seek access to education from lower quality institutions of higher learning. And the last group would be most of the illiterate and the poor, whom you will be addressing as part of your work.

Current ways of imparting adult education use extensive ground work in the field and require both large numbers of trained personnel as well as committed individuals working in a world where access to technology is going to determine the gap between the haves and the have-nots. It is no longer an "if" but "how" to deploy the technologies optimally. Information and communication technology application constitutes an absolute necessity, given huge dispersed populations in a sub continent; inadequate resources and mind boggling needs. The new technologies offer us the chance to telescope decades of infrastructure building and development activities by providing us with the advantage of high-speed delivery with no dilution in quality; wide reach; individualization of learning in a anytime, anywhere situation; and interactivity, a low per unit cost. These technologies and facilities can be equally used for language teaching, for literacy and adult learning.

This brings the role of the teachers or educators into focus. The adult educator is a key person in the whole process of learning and transacting education and a gateway to the learner. The responsibilities of the teachers or adult educators are many, and veryoften they feel threatened and further challenged when told that they have to use ICTs, sometimes even feeling that they may well lose their jobs or be replaced by the ICTs.

4) The Benefits of ICT in Education:

➤ Active learning: ICT-enhanced learning mobilizes tools for examination, calculation and analysis of information in order to provide a platform for student inquiry, analysis and construction of new information. The learners therefore, learn as they do whenever appropriate work on real-life problems in-depth. Moreover, ICT makes the learning less abstract and more relevant to their life situations. In contrast to memorization-based

learning, that is the feature of traditional pedagogy; ICT-enhanced learning promotes increased learner engagement. ICT-enhanced learning can also be 'just-in-time' learning that the learners choose what to learn when they need.

➢ **Collaborative learning:** ICT-supported learning encourages interaction and cooperation among students, teachers, and experts regardless of where they are. Apart from modeling real world interactions, ICT-supported learning provides opportunity to work with students, from different cultures, thereby helping to enhance learners teaming and communication skills as well as their global awareness. It models learning done throughout the learner's lifetime by expanding the learning pace to include not just peers but also mentors and experts from different fields.

➢ **Creative learning:** ICT-supported learning promotes the manipulation of existing information and the creation of real-world products rather than the duplication of received information.

➢ **Integrative learning:** ICT-enhanced learning promotes a thematic integrative approach to teaching and learning. This approach eliminates the artificial separation between the different disciplines and between theory and practice, which characterizes the traditional approach.

➢ **Evaluative learning:** ICT-enhanced learning is student-directed and diagnostic. Unlike static, text or print-based education, ICT-enhanced learning recognizes the presence of different learning pathways to explore and discover rather than merely listen and remember.

5) ICTs Improve the Quality of Education:

Improving the quality of education and training is a critical issue, particularly at a time of educational expansion. ICTs can enhance the quality of education in several ways:

- ➢ by increasing learner motivation and engagement,
- ➢ by facilitating the acquisition of basic skills, and
- ➢ By enhancing teacher training. ICTs are also transformational tools which when used appropriately, can promote the shift to a learner-centered environment.

ICTs such as videos, television and multimedia computer software that combine text, sound, and colorful, moving images can be used to provide challenging and authentic content that will engage the student in the learning process. The teachers strongly felt that the visual aural combination if integrated judiciously with the textbook and syllabus, can work wonders in getting across abstract concepts and logics to the children in a short span of time. The potential of each technology varies according to how it is used. Haddad and Draxler identify at least five levels of technology use in education: a) Presentation, b) Demonstration, c) Drill & Practice, d) Interaction, e) Collaboration

The educational effectiveness of ICTs depends on how they are used and for what purpose. And like any other educational tool or mode of educational delivery, ICTs do not work for everyone, everywhere in the same way. It is difficult to quantify the degree to which ICTs have helped expand access to basic education. Since most of the interventions for this purpose have been small-scale and under-reported.

6) ICT and Teacher Training:

The quality of teachers as a predictor of student learning therefore the importance of teacher training is heightened as role of teacher training as a tool. Many teachers are reluctant to use ICTs, especially computers and the internet. Teachers' attitude plays an important role in the teaching-learning process that utilizes computers and internet connections. Although teachers' attitude towards use of these technologies is vital, many observations reveal that teachers do not have clarity about how far technology can be beneficial for the facilitation and enhancement of learning. Of course, some teachers may have positive attitudes to the technology, but refrain from using it in teaching due to low self-efficacy, tendency to consider themselves not qualified to teach with technology. In this respect, Bandura (1986) describes self-efficacy as "individual's opinion of capabilities to organize and perform courses of actions to achieve particular types of performances." Moreover, as identified by Brosnan (2001), attitude, motivation, computer anxiety, and computer self-efficacy are factors affecting teachers' use of computers in their lessons. Teacher resistance and lack of enthusiasm to use ICT in education may affect on the training.

7) The Key Challenges of ICTs Integration in Education:

The integration of ICTs in education systems may face various challenges with respect to planning, infrastructure, learning content, language, capacity building, strategy and financing. Tinio (2002) discusses issues such as analysis of current practices and arrangements, identification of potential drives and barriers, curriculum and pedagogy, infrastructure and capacity building to be considered in the formulation of policy and planning.

The infrastructure challenges that may exist are absence of appropriate buildings and rooms to house the technology, shortage of electric supply and telephone lines, and lack of the different types of ICTs. Because of this, one need to deal with infrastructure related challenges before the planning of ICTs integration to education systems.

With respect to challenges of capacity building, we have to develop competencies of teachers and school administrators for the successful integration of ICT in the education system. In fact, one impeding factor of ICTs integration in education systems is the skill gap of people implementing it.

The school leadership also plays a key role in the integration of ICT in education. Lack of support from the school administration is also a big challenge. Thus, for the effectiveness of ICT integration; administrators must be competent and have a broad understanding of the technical, curricular, administrative, financial, and social dimensions of ICT use in education.

Furthermore, learning content and language also challenge the integration of ICT in education. Content development is a critical area that educators overlook. In integrating ICT in education, we have to care for the relevance of the learning content to the target groups.

Another great challenge is the financing. ICTs in education programs require large capital investment and developing countries need to predict the benefit of ICT use to balance the cost relative to the existing alternatives. Potential sources of money and resources for ICT

use programs suggested are grants, public subsidies, fund-raising events, in-kind support from volunteers, community support, revenues earned from core business, and revenues earned from ancillary activities.

8) Conclusion:

Therefore this paper is an attempt to present the important issues that must be addressed by both pre-service teacher's education and in-service teacher professional development programs if schools and other educational institutions are to fully exploit the potential of computers and the Internet as educational tools. Information communication technologies are influencing all aspects of life including education. They are promoting changes in working conditions, handling and exchanging of information, teaching-learning approaches and so on. One area in which the impacts of ICT insignificant, is education. ICTs are making major differences in the teaching approaches and the ways students are learning. ICT-enhanced learning environment facilitates active, collaborative, creative, integrative, and evaluative learning as an advantage over the traditional method. In other words, ICT is becoming more appropriate in the realization and implementation of the emerging pedagogy of constructivism that gives greater responsibility of learning for students. Several surveys are showing that ICT use in education systems of developed nations has comparatively advanced than ICT use in education systems of developing nations. In addition, the major promises of ICTs use in education systems of developing countries focus on training teachers in new skills and introducing innovative pedagogies into the classrooms, investing on ICT infrastructure for schools and creating networks among educational institutes, improving overall standard of education by reducing the gap in quality of education between schools in urban and rural areas, initiation of smart school with objectives to foster self-paced, self assessed, and self-directed learning through the applications of ICTs, and developingICT policy for education and training. On the other hand, this article discusses the major limitations of ICT use in educations teacher related, student related, and technology related. In addition, the key challenges of ICTs integration into education systems discussed relate to policy, planning, infrastructure, learning content and language, capacity building and financing.

References:

1. Adeyinka Tella & Emmanuel Olusola Adu, Nigeria (2009). 'ICT & Curriculum Development: the challenges for education for sustainable development', Indian Journal of Science and Technology. Vol.2 No 3 ISSN: 0974- 6846.
2. Bandura, A. (1986). 'Social foundations of thought and action: A Social-Cognitive View', Englewood cliffs, NJ: Prentice-Hall
3. Carnoy, M. (2002). ICT in Education: Possibilities and Challenges. (Downloaded from: http://www. uoc.edu, 04 March 2011).
4. Fisseha Mikre (2011), 'The Roles of Information Communication Technologies in Education Review Article with Emphasis to the Computer and Internet,' Ethiopian Journal Education & Science, Vol. 6 No 2.
5. Frances Cairncross, and Kaija Pöysti (2009), 'ICTs for education and building human capital
6. Hare, H. (2007). 'Survey of ICT and Education in Africa: Ethiopia Country Report ICT in Education in Ethiopia)'. www.infodev.org downloaded February 28
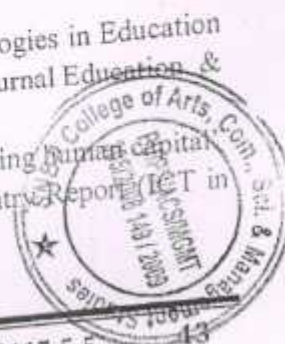
7. Irvin R. KATZ (2001), 'ICT Literacy: Integration & Assessment in Higher Education', Cybernetics and Informatics Volume 5 - Number 4, P.50-55

8. Jonassen, D.H. (1991) 'Objectivism versus constructivism: Do we need a new philosophical paradigm?', Educational Technology Research and development, 39(3), 5-14

9. Kozma, R.B, (2005) 'National policies that connect ICT-based education reform to economic and social development', An interdisciplinary journal of humans in ICT environment 1(2) 117-156

10. Meenakshi (2013), 'Importance of ICT in Education', IOSR Journal of Research & Method in Education (IOSR-JRME), Volume 1, Issue 4, PP 03-08.

11. Olson, J. (2000) 'Trojan horse or Teacher's Pet?.Computer and the Culture of the School', Journal of Curriculum Studies, 32 (1), 1-8.

12. Volman M. (2005) 'Variety of roles for a new type of teacher. Educational technology and the teacher profession', Teacher and Teacher Education, 21, 15-31.

13. Voogt, J. (2003), 'Consequences of ICT for aims, contents, processes, and environments of learning. In J.van den Akker, W. Kuiper & U. Hameyer (Eds.), Curriculum landscapes and trends (pp 217 –236). Dordrecht: Kluwer Academic Publishers..

14. Watson, D.M. (2001), 'Pedagogy before Technology: Re-thinking the Relationship between ICT and Teaching' Education and Information Technologies, 6, 4, 251-266.

15. Yousef, A. B. and Dahamini, M. (2008),' The Economics of E- Learning: The Impact of ICT on Student Performance in Higher Education: Direct Effects, Indirect Effects and Organizational Change', (http://rusc.uoc.edu, downloaded March 4, 2011)

Pimpri Chinchwad Education Trust's

S. B. Patil Institute of Management
'AN ISO 9001 : 2008 Certified Institute'

4th National Conference on
'INDUSTRY-INSTITUTE PARTNERSHIP –
AN IMPACT ON FUTURE ECONOMIC DEVELOPMENT'
12th & 13th February, 2016

CONFERENCE
PROCEEDINGS

In association with
SAVITRIBAI PHULE PUNE UNIVERSITY
Under QIP Programme of B.C.U.D.

Chairman
4 National Conference
Dr. Daniel Penkar
Director, SBPIM

Chief Convener
4 National Conference
Dr. Hansraj Thorat
Professor & Head Research, SBPIM

Convener
4th National Conference
Dr. Kirti Dharwadkar
Professor & Dean, SBPIM

HRD: ROLE OF KNOWLEDGE AND TALENT MANAGEMENT

Dr. Sudhir Atwadkar

Principal

Dnyanvardhini Pratishthan's Dnyanvardhini College of Arts, Science & Commerce BBA & BCA,

Pimpri- Chinchwad, Pune -19.

Contact No.: 08275001199 Email Id: sudhir.atwadkar@gmail.com

ABSTRACT:

Knowledge has always been distinguishing characteristics of human beings in view of their unique capacity to formulate & consciously transmit knowledge from one generation and location to another. In recent years, 'knowledge Society' has gain prominence due to advance technology and related applications. The knowledge revolution marks a fundamental shift in human development from being limited to material processes to infinite and creative potential of human processes' Thus knowledge Societies have to address issues about how ideas & information are to be created and, thereafter, adopted at an accelerating speed. It is an important objective of development planning, since it is one of the most effective means to achieving higher level of overall development. The growth process is intimately depend on integrated development of each individual right from the initially. While economic growth is important, it has to be accompanied by improvement in quality of life of the people for the development process to be substantial in the medium to long run. An educated and empowered population resulting from proper human development strategies can significantly contribute to increased productivity and, thereby, substantial economic growth and development. Hence, HRD is often referred to as the engine of growth and development.

Key Words: Knowledge, Human Resource Development, Economic Growth.

INTRODUCTION:

According to Lewis Platt, CEO of Hewlett-Packed "Successful companies of the 21st Century will be those, who do the best jobs of capturing, storing and leveraging what their employees know" Many organisations are adopting innovative and proactive measures to tackle skill deficit and to create the skills they required. India is having an opportune time today, to achieve its well deserved position of developed nation with the help of knowledge economy. Indian corporate entrepreneurs, human resource are contributing significantly in making India a true developed nation. Global markets are attracting Indian Corporate and HR, all these characteristics makes India a great contestant to be an economic super power in near future. Presently, the world is experiencing the process of knowledge based development. Due to complexities that Westernization, urbanization, liberalization, and globalization process, managing in the new world order has been an ongoing challenges, especially for India. The continuously changing global environment and multiple players' dynamics have made management difficult and complex affair. In this competitive environment each one is striving for sustainable business development. A

business basically engages in optimum utilization of all its resources and effective coordination of various functions to ensure profitability and brand value. This is driven by the king resources call HR. How well organizational goals are achieved depends upon the HR practices.

Since it is the Knowledge within that matter, HRs are also called Knowledge management of workers; hence Knowledge Management (KM) is imperative. KM is an effective tool to create a synergetic environment. Organisation engages in KM to safeguard their intellectual capital and transform individual Knowledge into collective Knowledge thereby saving resources, time and energy. HRD is about managing the body, mind, heart and soul which houses the knowledge so as to motivate HR to utilize its knowledge to produce the best results. HRD & KM processes should support and complement each other. Both processes can be effective only when 'how' to capture is based on 'what' to capture.

The task of finding and managing talent has become more and more complex than ever before. The changing social and business environment have brought about a transformation in the HR function, roles and responsibility of HR Professionals.Day by day there is breakdown in the traditional employer-employee relationship and new form of employment relationship has come forward. Today the changing business environment puts new challenges for HR Professionals-keeping high moral, talent manage &retain and outsourcing of talent.

REVIEW OF LITERATURE:

According to John W. Gardner, "there are those who perform great deeds and those that make it possible for others to perform great deeds. There are path-finder's and pat preservers. There are those who nurture and those who inspire. There are those whose excellence involves doing something well and those who excellence lies in being the kind of people they are, lies in their kindness or honesty or courage (www.rdiff.com/money/2005/Jan/0.) Tayler C.W. is categories talent into academic, creative, communication, planning, forecasting and decision making. Dai & Parikh (2007) talent is defined as dormant or untapped quality to be accessed in the future, either in an individual employees or the collective body of employees. It is an indicator of capacity to learn, as well as the speed with which a person or organisation can adopt to new challenges. Sultan Kermally (2004) a management development consultant and trainer and authors of "Developing and Managing Talent" understand talent as a special aptitude or faculty of high mental ability. He categorized talent functionally as well as generally. According to Rao (2003) knowledge can be acquired only by systematic and programmed effort. Information and knowledge acquisition is increasingly playing a major role in imparting a sense of direction and purpose to any economy (Situngkir, 2009).Rammer and Schmiele (2009) explain that knowledge protection is highly important for international innovation activities. Hardy (2004) has suggested that the firms need knowledge integration and capitalization to achieve better outcomes. Sahu (2006), knowledge sharing is important and brings about improvements in the corporate structure.

Human Resource Development (HRD):is any process or activity that, either initially or over the longer-term, has the potential to develop adults' work based knowledge, expertise, productivity and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately the whole humanity.

Knowledge Economy (KE): refers either to an economy of knowledge focused in production and management of knowledge in the frame of economic constraints or to a knowledge based economy.

Knowledge Management (KM): is any process or practice of creating, acquiring, capturing, sharing and using knowledge from wherever it resides, to enhance learning and performance in organisation. There are four key processes – knowledge acquisition, sharing, storing and use.

Talent Management (TM): refers to the process and strategy of searching, developing new employees, motivating and retaining current employees, and attracting & making competent workforce to work for organisation.

Usually talent management related with competency based human resources development and management practices.

NEED OF TALENT MANAGEMENT:

In India, 1975 the first HRD department established and at the time at that time of setting, Rao & Pareek identified enhancing the enabling capabilities of people and integrating development of people with that of the organisation as one of the most important principles in designing the HR system. Talent management as a process emerged in the 1990s as more organisations started to relies that their employee's ability and skills which are key factor in achievement of organisation goals. The people priority acknowledges the importance of employee satisfaction and empowerment to create an environment where employees feel secure enough to take risk and become innovative in producing quality, service and customer satisfaction To overcome from these obstacles many organisations today is that they put the attention, tremendous energy, effort and various strategies for talent acquisition. But the major issue is that they spend little time into developing, retaining and maintain talent.

IMPACT OF GLOBALIZATION ON YOUNG TALENT:

The new entrants to corporate world are highly influenced by the process of globalization. The prevalence of small size family motivated to their children for better education. These youngsters completed their education in the era of globalization. Most of the youngsters take their education with updated and modern technology, and learning methodologies. Their skills and their learning environment are excellent. Due to global environment their thinking abilities and behaviour has also influenced by global environment With the increasing global jobs, people from small town are going to accept offer at foreign country. Due to fast communication and transport facility, young talent attracts towards global jobs and the parents are encouraging to accept such offers The availability of options for jobs products and services is the factor which is responsible for dynamic nature of the new entry to corporate world. For companies aspiring to grow in a globalised world must match their distinctive capabilities with sector where profitable growth is likely to occur.

PROBLEM & ISSUES IN TALENT MANAGEMENT:

In the light of knowledge based development role of research, innovation and creativity has become prominent companies need talented /skilled workforce who can participated and mange himself in changing nature and growth. The main problem is being faced by the companies is to find talented workers and more than that, once they get, then retain them.

Today is global era, employment opportunities are more on domestic as well as international market. It is difficult to maintain the balance between the senior and junior employees i.e. traditional and young and dynamic employees. It is too hard to retaining talent in the context of diverse cultures and customs.

Talent management is not an end in itself. It is not only about developing employees or creation of neither success nor achieving specific benchmark. The aim of talent management is helping the organisation achieve its overall objectives continuously. So there is need of a new way of thinking about the talent management challenge which develops a flexible framework to clear about goals for talent management.

TALENT MANAGEMENT PROCESS:

Talent management can be done by several ways or an integrated step. The essential for talent management are

- Not only concern of HR department alone.
- HR needs to be proactive.
- TM to be practical at all levels of the organisation.
- TM system must be focused for achievement of business goals.
- TM systems must operated a daily processes throughout the organisation.
- For TM develop specific strategies for acquiring, training, developing, promoting, motivating and retain employees towards organisation success.
- Keeping the employees moral up for retain their talent.
- Managing diversity talent.

CONCLUSION:

Time is making compulsory to each and every organization to manage and retain the talent in organization for future requirement and survival. It will be an effective and cost effective tools to organization in future purpose. A proper strategy requires a deep understanding of concern like talent acquisition to performance management, succession of planning, learning and development, and more. Talent Management means building within the organisation a culture of recognisation inherent talent, skills, traits of people, deciding accordingly for person job fit and planning their development and career planning accordingly. Every individual in the organisation is unique, having talent would be more appropriate for job profile in the organisation which needs to be recognized. If knowledge is not managed properly, the employee would become aggravated turning into non performing assets. Talent Management assumes significance both for the organisation and the employees. It helps the organisations by increased effectiveness and productivity, a better linkage between individual's efforts and organizational goals, increased commitment and satisfaction of valued employees resulting in reduce turnover. Employees get higher motivation, job satisfaction, career planning and competency building. The ultimate aim of HRD is to maintain the moral of employees and retain to them for achievement and succession of organisation objectives.

REFERENCES:

1. Carla, O'Dell with Paige Leavitt (2004), The Executive Role in Knowledge Management, New Delhi, Tata McGraw Hill.

2. Chandrashekhar Aronkar (2010), Knowledge Economy and Demographic Transition In India: Challenges of Talent Retention in companies, Managing The New World Order: Strategies For Sustainable Business Development, Excel Books, New Delhi pp204.

3. Das & Parikh (2007), Concept and Best Practices Relating to Talent Management, Human Resource Management, Monthly R.P(Ed.), Excel books, New Delhi.

4. Deepak Sharma (2010), Talent Management: An Overview. Managing The New World Order: Strategies For Sustainable Business Development, Excel Books, New Delhi, pp232.

5. Federici, Daniela, Francesco Ferrante & Domenico Vistocco (2008), On Sources of Entrepreneurial Talent Tacit vs. Codified Knowledge, The ICFAI University journal of Knowledge Management, IV(4) pp44.

6. Halder, Uday Kumar (2009), Human Resource Development, India: Oxford University Press, New Delhi.

7. Kermally, Sultan (2004), Developing and Managing Talent, Viva Books Private Ltd., New Delhi.

8. Morton, Lenne (2008), The Seven Challenges of Global Talent Management, The Global Manager (Ed.), The ICFAI University Press, Hyderabad.

9. Rao T.V. (2003), HRD Audit, Response Books New Delhi.

10. Rao, Nageshwara A.L.(2004), Knowledge Management in Nagarajan N.(Ed.), Knowledge Management: Bank Economist's conference 2003, VI, pp28, The ICFAI University Press, Hyderabad.

11. Sahu, Naresh Chandra (2006), Improving Knowledge Sharing Culture in a Corporate Structure, A Theoretical Note, The ICFAI University Journal of Knowledge Management, IV(1), pp7.

12. Situngir, Hokky (2009), Evolutionary Economics Celebrates Innovation and Creativity Based Economy, The ICFAI University Journal of Knowledge Management, VII (2), pp7.

13. Smita sahoo & Susmita Mukhopdhyay (2010), Role of Knowledge Management in Human Resource management, Managing The New World Order: Strategies For Sustainable Business Development, Excel Books, New Delhi. Pp223.

14. Sultana M & L. Manivannan (2009), Knowledge Management in Pharmaceutical Marketing Theoretical Models, The ICFAI University Journal of Knowledge Management, VII (2), pp62.

15. Taylor C. W. (1968), Multiple Talent Approach: A Teaching Scheme in which Most Students Can Be Above Average, Instructor, 77.

16. http://en.wikipedia.org/wiki/Talent_management

17. http://www.businessweek.com

18. http://www.google.com

19. http://www.rediff.com/money/2005/jan/06spec.htm

Bharati Vidyapeeth Deemed University, Pune

Institute of Management and Rural Development Administration, Sangli.

Institute of Management and Rural
Development Administration, Sangli.

i/m/r/d/a/

Proceedings of

BVCON-15

28th February and 1st March 2015

National Conference

on

Modern Trends in Rural Management and Development: A Paradigm Shift

BVDU IMRDA, S...

Rural Consumer & Satisfaction with regard to Food & Beverages

Dr. Sudhir Atwadkar
Professor,
Institute of Management Sciences, Pimpri, Pune

Abstract:

Customer is the reason why businesses exist. Today human need have become a more sophisticated and complex in nature. This has given rise to rural market which are essentially for the marketing strategies with a view to serve and satisfy the customer to countering competition and at the same time retain into the business. The consumer goods are one of the fastest growing sectors in India. There is a change in the mind set of rural consumer and now looking at "Money for Value" rather than "Value for Money". The purpose of this paper is carry out depth study of rural consumer and their satisfaction with regard to Food and Beverages in Kolhapur district which influence the buying behavior. The factors related to behavioral attributes, marketer attributes and 7Ps have been taken for the study and discussed comprehensively in order to know perception and satisfaction level of consumers. Findings have also been drawn on different aspects of the study which perceived beneficial in understanding and enhancing satisfaction level of consumer. The appropriate recommendations have been made in the light of primary data analysis and interaction with various respondents.

Keywords: Behaviour, Customer, Needs, Rural, Satisfaction, Strategies.

1) Introduction:

For succeeding in business an entrepreneur, first and foremost needs good marketing skills. There are several good reasons for studying marketing. Marketing issues are important in all areas of the company. Customer is the reason why businesses exist. Marketing always helps to company become more savvy consumers. As we enter the twenty first century, the marketing functions remain concerned with serving customers and consumers effectively. In earlier period, the problem of human being revolved around the question to survival and at later periods of human civilization. Perhaps for centuries, human beings were mostly concerned about taking care of their primary needs. However industrial revolution, change all and metamorphic changes in human behavior continued at awful speed of recent times. Today human need have become a more sophisticated and complex in nature. This has given rise to market which are essentially for the marketing activities with a view to serve and satisfy the customer and consumers to countering competition and at the same time retain into the business.

The globalization has brought vast change in Indian Industry. The consumer Goods is one of the fastest growing sectors in India. The marketing function seeks to fulfill the need and want of each individual customer and satisfy to each individual consumer. A consumer packaged goods (FMCG) is among high growth industry with Household, Personal care and Food & Beverages products in India. The size of the Indian food processing industry is day by day increasing with value added products. Also the health products &beverage industry is growing with unexpected demand of bread, biscuits, chocolates, ice creams. The size of the semi-processed/ready-to-eat food segment is more and more. The Indian beverage industry faces over supply in various segments. Indian hot beverage market is a tea dominant market. Consumers in different parts of the country have heterogeneous tastes. The total soft drink (carbonated beverages and juices) market is highly seasonal in nature with consumption varying. The market is predominantly urban with 25 per cent contribution from rural areas. Mineral water market

in India is also hot with an average the monthly consumption.

The needs and wants of consumer vary according to the regional, cultural, socio-economic variables which influence the consumer demand and spending patterns. Today marketing must be understood not in old sense of 'making a sale' but the new sense of "satisfying customer needs, wants and buildup the relation". Many people think that marketing means only as selling and advertising. However selling and advertising is only the tip of marketing iceberg. Marketing is the proper combination of its mix and managing profitable customer relationship. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction. With view to above discussion the present paper focus on the consumer satisfaction with regard to Food & Beverages in Kolhapur district. The objectives of the present study is-

- to study the impact of behavioral attributes on customer satisfaction.
- to study the marketers influencing factor to customer satisfaction.
- to study the consumer satisfaction with respect to 7Ps.

2) Literature Review:

A review of literature is important and helpful as a background for the research work undertaken. A summarized literature review is as follows:-

According National Council for Applied Economic Research (NCAER), the income of the average villager is rising. Recession is hardly possible in rural India. Also, rural education levels are rising because the efforts to the states. The rural markets remain untapped because of three D's: distance, diversity and dispersion. He has observed that it is very hard to design a communication strategy as the marketer's have little understanding of folk media. Mass media reaches only the upper end. Genuine efforts should be made to exploit the rest of the market potential. Pareek (1999) had explained in his article that the Indian rural market has immense untapped potential. Jiwarjka (2004), Chairman, Federation of Indian Chamber of Commerce & Industry(FICCI) has stated that the rural markets have been a vital source of growth for most companies. For a number of FMCG companies in the country, more than half annual sales come from the rural market. The need to generate superior data on rural marke system, the haats, melas, mandis, village and sm town income levels and consumption patterns. They need to learn how to use existing market places to arrange demonstrations of products. He reveals that despite the hurdles that the rural economy presents, corporate-rural partnership can overcome these and bring about positive results for both the entities.

Dick and Basu (1994) had stated that the consumer loyalty plays a central role in marketing strategy, and marketing planning in the achievement of store loyalty in the retail sector. Hence the forming marketing strategy, firms should consider the consumer and their needs and expectations which lead to the satisfaction. Verhoef, Franses and Donkers (2002) had discussed the changing perception and behavior ... context to customer relationship that custome adjust their behavior based on changes in perceptions that result from new experiences with the supplier. This implies that a change in satisfaction levels affects customer referrals in the first period, but the effect of this change is also important in subsequent time periods. Fornell and Bitner (1992) had explained that 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. Lynch (1993) has described customer delight as the capacity to provide the satisfaction with experience that transcends normal standards of quality service. Customer satisfaction (CS) is one of the most unassailable concepts of moder management practice. It is an indicator c satisfaction with a product and or service, offe d during the purchase and post-purchase period. It is largely influenced by perceived value of the product/service that the customer experiences while purchasing and consuming the product/service(Anderson, 1994). Hence the research hypotheses for the present study are-

- There is no association between the physical evidence and satisfaction.
- There is no relation between the people and satisfaction.
- There is no significance between the process and satisfaction.

271

...ARCH METHODOLOGY:

Stressing the prime importance on survey method, the required data is collected by personally visiting a substantial number of consumers and customers. The methodology adopted comprises: Data collection, Selection of study areas, Sample Design.

Data Collection: The methodology of data collection for study is planned in such a manner that every bit of information pertaining to different aspect of consumer satisfaction has been collected. The secondary data necessary has been gathered by the review of past literature and the statistical information is collected by personal visits to various offices, libraries and through internet. Primary data is collected through –interview and structured questio1nnaire. In order to elicit relevant da rom the respondents the researcher prepared the tructured questionnaire in two parts: Part I consists brief introduction to Profile of the consumers, Part II contains the statements related to consumer satisfaction with Five point Likert Scale ratings were used as under Strongly Agree to Strongly Disagree with maximum rating of 5 and minimum rating of 1 with equal interval scale of 1.

Sample Area: The researcher has taken into consideration regional variances before proceeding to the selection of sample study area and accordingly determined to select such region which represents aforestated variances. To study the present subject, selected fast growing boundary region Kolhapur district from Maharashtra which is located in Maharashtra & Karnataka boundary.

i) Sample Size: After determining the study area, the re rcher has selected five sample talukas from ea district on the basis of the population of talukas. By following the simple random sampling, the researcher has selected 108homes as sample respondents from each taluka place. Thus the total 540respondents are surveyed.

)DATA ANALYSIS & DISCUSSION:

540 respondents were taken as a sampled from five different talukas of Kolhapur district whom questionnaires were distributed and interviewed accordingly. For interpreting the mean score together with percentile value a rating scale is developed on the following –Excellent: above 80.01%, Good: above 60.01- 80%, Average: above 40.01- 60%, Poor: above 20.01- 40%, Very Poor:

Below 20%.The collected primary data has been analyzed detailed in term of presentation of results, tabulation and analysis of descriptive statistics and reliability of data and testing of hypothesis.

Table No. 1: Reliability Statistics	
Cronbach's Alpha	N of Items
.987	62

Through this analysis, Reliability of data was found by 98.7 percent which was collected through questionnaire from Kolhapur district.

Table No.2: Impact of Behavioral & Marketer Attributes

N	Statements	TR	TS	Avg	M	SD	%	Ranks
	Behavioral Attributes							
1	Culture	540	1977	395	3.66	1.11	73.22	I
2	Social	540	1657	331	3.07	1.14	61.37	V
3	Life style	540	1891	378	3.50	1.08	70.04	II
4	Personality	540	1443	288	2.67	1.27	53.44	VII
5	Role	540	1647	329	3.05	1.22	61.00	VI
6	Status	540	1871	374	3.46	1.08	69.30	III
7	Taste & habits	540	1843	368	3.41	1.16	68.26	IV
	Marketer Attributes							
1	Quality	540	2256	451	4.18	0.83	83.56	I
2	Quantity	540	1707	341	3.16	1.12	63.22	VI
3	Price	540	1999	399	3.70	1.14	74.04	III
4	Packaging	540	2215	443	4.10	0.93	82.04	II
5	Advertising	540	1912	382	3.54	1.10	70.81	IV
6	Promotional Activities	540	1737	347	3.22	1.20	64.33	V
7	Service	540	1635	327	3.03	1.21	60.56	VII

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD-Standard Deviation.

Table No.2 indicates the impact of behavioral and marketer attributes on satisfaction with regard to Food &Beverages. Behavioral attributes develops consumer's attitude & perceptions which shapes their pre& post purchase behavior.The study shows that the most important behavioral attribute influences satisfaction level is culture with 3.66 mean values. Secondly, life style is affected to consumer satisfaction with mean value 3.50.Followed by status is on third rank and taste or habits are on forth rank with 3.50 &3.41 mean values.Social and role is the fifth and sixth rank

whereas with lowest mean value 2.67 Personality is on seventh rank. On the other hand the most important marketer attributes influences the consumer satisfaction is quality of product with mean value 4.18. Packaging of the product is on second rank with 4.10 mean values. Thirdly, price with the mean value 3.70 followed by advertising and promotional activities are Fourth and Fifth rank with 3.54 and 3.22 mean value each. Quantity and service attributes are the Sixth and Seventh rank.

Table No. 3: Consumer Satisfaction towards Product with regard to F&B

N	Statements	TR	TS	Avg	M	SD	%	SL
1	The product range is comprehensive.	540	2001	400	3.71	1.15	74.11	Good
2	There is consistency in quality of product.	540	1597	319	2.96	1.24	59.15	Average
3	There is no variation in quantity printed and actual.	540	1709	341	3.46	1.21	63.30	Good
4	The freshness of products is exceptional.	540	1968	393	3.64	1.17	72.89	Good
5	The customer avails the replacement facility.	540	1516	303	2.81	1.21	56.15	Average
6	The packaging of products is fair & convenient to handle.	540	1788	357	3.31	1.10	66.22	Good
7	The packaging of product attracts the attention of customer.	540	2000	400	3.70	1.08	74.07	Good
8	The brand names are appreciable.	540	1876	375	3.47	1.15	69.48	Good

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD-Standard Deviation, SL-Satisfaction Level

Table No. 3, it is observed that there is comprehensive rage in products and appreciable brands whereas towards consistency in quality of product is average. It also reveals that most of respondents feel that there is no variation in quantity printed and actual. The satisfaction level towards the packaging and packaging attracts the attention of consumer is at Good with 3.31 mean value. Further, the freshness of the product is exceptional in food & beverages whereas Average satisfaction level towards the replacement of product.

Table No.4: Consumer Satisfaction towards Price with regard to F&B

N	Statements	TR	TS	Avg	M	SD	%	
1	Supplier offer cheapest price.	540	1456	291	2.70	1.24	53.93	Average
2	There is no variation in printed price and chargeable price.	540	1493	298	2.76	1.19	55.30	Average
3	The price is reasonable in relation to benefits.	540	1610	322	2.98	1.28	59.63	Average
4	The price is equitable in relation to Quality	540	1831	366	3.39	1.21	67.81	Good
5	Pricing diff. between branded and unbranded is justifiable.	540	1808	361	3.35	1.27	66.96	Good
6	I am very satisfied with price I paid for what I bought.	540	1549	309	2.87	1.29	57.37	Average

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD-Standard Deviation. SL-Satisfaction Level

The study of table no. 4 shows that satisfaction level towards the price is equitable in relation to quality and pricing difference in unbranded and branded is Good. Supplier offer cheapest price, variation in printed and actual price, reasonable price in relation to benefit and overall satisfaction towards price is Average.

Table No. 5 Consumer Satisfaction towards Place with regard to F&B

N	Statements	TR	TS	Avg	M	SD	%	SL
1	The store located conveniently.	540	2084	416	3.86	1.05	77.19	Good
2	Time of stores is convenient.	540	1994	398	3.69	1.12	73.85	Good
3	There is regularity of availability of product.	540	2072	414	3.84	1.06	76.74	Good
4	The storage facility is good.	540	1866	373	3.46	1.16	69.11	Good
5	The order processing & order cycle is fair in store.	540	1611	322	2.98	1.29	59.67	Average
6	Home delivery facility of product is Satisfactory	540	1522	304	2.82	1.24	56.37	Average

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD-Standard Deviation. SL- Satisfaction Level

Table No. 5 indicates that satisfaction level towards the place. The satisfaction level towards location of stores, working hours are convenient, regular availability of product, storage facility is at Good scale whereas order processing, order cycle and home delivery of product is Average.

Table No. 6: Consumer Satisfaction towards Promotion with regard F &B

N	Statements	TR	TS	Avg	M	SD	%	SL
1	Ads provide satisfactory information to buyer.	540	1710	342	3.17	1.28	63.33	Good
2	Ads campaigns are excellent.	540	1677	335	3.11	1.25	62.11	Good
3	Ads motivated to buy	540	1873	374	3.47	1.16	69.37	Good
4	The impact of TV ads is more than print ads on buyer.	540	1983	396	3.67	1.21	73.44	Good
5	The display of products in shop is attractive and fair.	540	1777	355	3.29	1.23	65.81	Good
6	Promotion sche.are reliable.	540	1866	373	3.46	1.16	69.11	Good
7	The customer avails gifts, Discount, free goods etc.	540	1781	356	3.30	1.23	65.96	Good

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD, Standard Deviation. SL-Satisfaction Level

Table No. 6 illustrates, satisfaction level of consumer towards ads provide satisfactory information, excellent ad campaigns, motivated to buy, impact of TV ads are more, display of products, sales promotion schemes and avail sales promotion is at Good scale.

Table No 7: Satisfaction towards Physical Evidence with regard F&B

S	Statements	TR	TS	Avg	M	SD	%	SL
1	The products are solving the problem and fulfill the need.	540	1869	373	3.46	1.03	69.22	Good
2	The products are suit to the changing preferences.	540	1846	369	3.42	1.06	68.37	Good
3	The products improve the Standard of living.	540	1774	354	3.29	1.27	65.70	Good
4	Consumer involvement in buying.	540	2218	443	4.11	0.87	82.15	Excellent
5	The brand awareness of products is fair.	540	1804	361	3.34	1.15	66.81	Good
6	supplier must have high standard of hygiene.	540	2023	404	3.75	1.13	74.93	Good
7	The products must be environmentally responsible.	540	1759	351	3.26	1.05	65.15	Good

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD, Standard Deviation. SL-Satisfaction Level

Table No. 7 indicates consumer satisfaction towards physical evidence. Most of the respondents involvement in buying is excellent whereas satisfaction level towards products fulfill needs and solve the problems, suit to changing preferences, improve standard of living, standard of hygiene, brand awareness, environmentally responsible is at Good scale.

Table No. 8: Consumer Satisfaction towards People with regard F&B

N	Statements	TR	TS	Avg	M	SD	%	SL
1	The retailers treat the customer with respect	540	1918	383	3.55	1.16	71.04	Good
2	The Sales person's response is reliable and positive.	540	1758	351	3.26	1.19	65.11	Good
3	Sales person provides wide & qualitative information.	540	1731	346	3.21	1.23	64.11	Good
4	Interactions of sales person while buying are inspired	540	1669	333	3.09	1.24	61.81	Good
5	Prompt and good service.	540	1811	362	3.35	1.22	67.07	Good
6	The sales person's behavior is cooperative & Courteous.	540	1800	360	3.33	1.16	66.67	Good
7	The outcome of my complaint is fair.	540	1498	299	2.77	1.40	55.48	Average

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD, Standard Deviation. SL- Satisfaction Level

Table No.8 illustrates the satisfaction towards people with regard to Food & Beverages. Satisfaction level towards behavior of retailer, sales person response, wide & qualitative information by sales persons, service, and salesperson's behavior is at 'Good' whereas 'Average' towards outcome complaint.

Table No:9: Consumer Satisfaction towards Process with regard F&B

N	Statements	TR	TS	Avg	M	SD	%	SL
1	Product modification.	540	1887	377	3.49	1.14	69.89	Good
2	Pricing trends are balanced.	540	1450	290	2.69	1.22	53.70	Average
3	Information onschemes.	540	1710	342	3.17	1.30	63.33	Good
4	Quality of distribution system.	540	1726	345	3.20	1.27	63.93	Good
5	The products enhance the state of exciting life.	540	1905	381	3.53	1.14	70.56	Good
6	Service of retailer & sales staff is good.	540	1916	383	3.55	1.11	70.96	Good
7	The companies serve customer by offering value	540	1752	350	3.24	1.25	64.89	Good

Source: Surveyed Data, TR-Total Respondents, TS-Total Score, M-Mean, SD, Standard Deviation. SL- Satisfaction Level

Table No. 9 indicate the satisfaction level towards process. The satisfaction level towards distribution systems, informational strategies, product strategies modification, promotional, service by retailer, value offering by companies and enhance state of exciting life is at 'Good' whereas 'Average' towards pricing strategies and trends.1)
TESTING OF HYPOTHESIS:

Hypothesis 1:

There is no association between the physical evidence and satisfaction.

Table No. 10 : Chi-Square test for Hypothesis – 1

Proba bility	Respo ndents	Cal. Chi-Square	DF	t Value@ 5%.	Concl usion
S D	28				
D	72				
N	152	26.05	4	9.4877	Reject ed
A	171				
S A	118				

Since the calculated chi-square value is greater than critical value at 5%, the null hypothesis is rejected. Therefore, there is association between the physical evidence and satisfaction.

Hypothesis 2:

There is no relationship between the people and satisfaction.

Table No. 11 : Chi-Square test for Hypothesis – 2

Probab ility	Respon dents	Cal. Chi-Square	DF	t Value@ 5%	Conclus ion
S D	63				
D	88				
N	154	50.055	4	9.48773	Rejecte d
A	136				
S A	99				

Since the calculated chi-square value is greater than critical value at 5%, the null hypothesis is rejected. Therefore, there is relationship between the people and satisfaction.

Hypothesis 3:

There is no significance between the process and satisfaction.

Table No. 12 : Chi-Square test for Hypothesis – 3

Probabili ty	Respon dents	Cal. Chi-Square	DF	t Value@5 %	Conclus ion
SD	57				
D	87				
N	152	57.888	4	9.48773	Rejecte d
A	143				
SA	101				

Since the calculated chi-square value is greater than critical value at 5%, the null hypothesis is rejected. Therefore, there is significance between the process and satisfaction.

1 Results & Discussion:

After the analysis of data, it is observ[?] behavioral attributes culture, life style, s[?] having major impact on consumer satisfaction w[?] regard to Food & Beverages in Kolhapur distri[?] whereas marketer attributes quality, packaging and[?] price found major impact on satisfaction level of consumer. The satisfaction level is high towards the products but at the same time satisfaction towards consistency in quality, replacement of products is medium. There has been low satisfaction level found towards price and there is variation in price printed and chargeable by retailer. Satisfaction towards place has been found high but there is average satisfaction towards order processing and home delivery facility. It also reveals that satisfaction towards promotion and Physical evidences is high. There has been high satisfaction level found towards people with sales person's response, wide and qualitative information an[?] motivated interaction. The satisfaction towards the process is high with product modification process, promotional strategies, distribution activities; services provided by retailers, companies offering value and enhance state of existing life whereas satisfaction towards the outcome of complaints is low.

2 Recommendations:

Based on above aforestated scenario and the findings presented, an attempt is made to put forth the constructive recommendation with a view to:

1 The companies take regular consumer research with context to satisfaction which helps to them understand the changing profile and characteristics of consumer and develop the strategies.

2 The consumers are more prices consciou[?] Therefore, the marketer should focus of the pri[?]g strategies and offer products which are affordable to villagers, and at competitive prices. Mostly low priced products will be more successful in these areas due to the mind set of the consumer.

3 Village retailers play a vital role in the movement of products to remote areas. Village retailers are the most crucial channel members who have special relation with the customers and therefore, marketers have to focus on them to market their product effectively.

4 The satisfaction towards outcome of complaints is low. So the companies should constraint on how the

minimize the complaints by consulting the retailers and sales persons.

5 There are some mal practices in availability of sales promotion tools, charging printed price, replacement of products by some of the retailers. So the companies make analysis and take care of such type of activities which are harmful in developing the values and buildup the relationship.

6 The satisfaction level towards the order processing time and home delivery of product is low. So the retailer should focus on the order processing time and home delivery facility. This will be give edge to them to improve the relation and performance of business.

Conclusion:

The basic belief to marketing oriented firms is customer is the hub around which the business revolves. So there is need to understanding what & how your customer is buy which play vital role in part of business success. It means to survive in ever changing marketing environment, there is a growing concern among companies to go for careful study of the consumer and always keep them satisfies.

References:

* A Sarangapani and T. Mamtha (2009), 'Rural Consumer- Post purchase Behaviour and Consumerism" ASBM Journal of Management II (I), pp. 176-199.

* On Overview of FMCG', http://www. naukrihub .com/India/fmcg/overview.

* Anita Rani (2011), "Tuning the Retailing Strategy to Woo Consumer", Marketing Master Mind, Vol. XI, Issue 5, May, pp.31-40.

* Ashokan C.G. Hariharann (2008), "Profile and Perception of Retail Consumer-An Empirical Study in Palakkad District", Indian Journal of Marketing, Vol. XXXXIII, No. 2, February, pp. 24.

* Biplab S. Bose (2009), "Marketing Management", 2nd Edition, Himalaya Publishing, Mumbai.

* Customer Satisfaction: Improving Quality and Access to Services and Supports in Vulnerable Neighborhoods What The Research Tells Us, February 2007 Centre For The Study of Social Policy.

* IBEF's- Fast Moving Consumer Goods Report, http://www.naukrihub.com.

* India Report: http://www. chilli.blogs. com /india report.

* J.K. Sachdeva, Business Research Methodolgy, 2008, Himalaya publishing House.

* Mack Hanan and Peter Karp, Customer Satisfaction: How to Maximize, Measure, and Market Your Company's "Ultimate Product" (New York: American Management Association, 1989), xii.

* Mahesh Babaria and Mittal Dharod, FMCG Sector (2009), http://www.ghallabhansali.com, pp.1.

* http://nrcpicker.com/ Default.aspx? DN= 105 ,19,2,1, Documents

* NCAER Report.

* Nick Wreden, "What's Better Than Customer Satisfaction?" Viewpoint (May 24, 2004), Destination CRM.com (Customer Relationship Management), www.destinationcrm.com/ articles/default.asp?articleid=4056

* Philip Kotler, Marketing Management, 1997,Prentice Hall of India.

* Rodrigo A. Padilla, "Literature Review on Consumer Satisfaction in Modern Marketing." Seminar in Consumer Research, Faculty of Commerce and Administration, Concordia University, December 5, 1996, http://pages .infinit.net/rodrigo/satisfaction.html.

* Suja Nair (2007), 'Consumer Behaviour and Marketing Research, 2nd Edition, (I), pp.1, Himalaya Publishing, Mumbai.

Web References-

* http://in.rediff.com/news/business/2006/dec.htm.

* http://www.ConsumerPsychologist.com

* http://www.googlesearch.com

* http://www.indiainfoline.com.

* http://www.LarsPerner.com

****

SPSPM

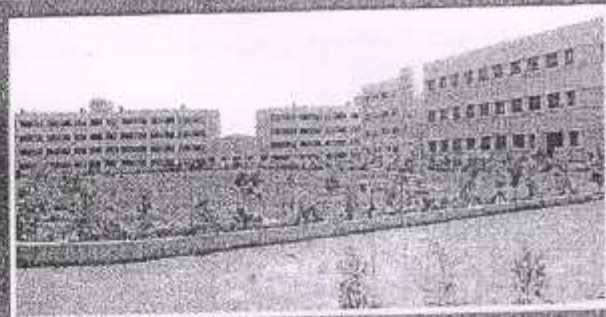# NATIONAL CONFERENCE
ON
BLAZING TRAILS IN MANAGEMENT

NATCON BLAZE – 2011

18th & 19th March 2011

Savitribai Phule Shikshan Prasarak Mandal's
SINHGAD INSTITUTE OF BUSINESS MANAGEMENT
Kamalapur, Tal - Sangola, Dist SolaPur, Pin - 413307
Contact No. 02187 222901, 283307, sibmmba1@gmail.com,
www.spspm.org

Contents

TRACK - 1 (MARKETING)

"Indian FMCG Sector-Growing Trend and Booming Opportunity"

(10)

| Prof. Sudhir Atwadkar	Mrs. Anjali Upadhye	Dr. D.M. Kumthekar
Director — NSRT Institute of Management Chakan, Pune.	Sinhgad Institute of Business Management Kamlapur	Reder — VP Institute of Management & Study, Sangli

INTRODUCTION

Today, economy is conformed to two major and far-reaching changes- a change from domestic to global and a change from the global to rural economy. Both these changes are evolutionary. FMCG sector was witness more than 60 percent growth in rural and semi-urban India in 2010. Indian consumer goods market is to reach $450 billion in 2010. The Indian rural market with its vast size and demand base offers a huge opportunity for investment. Rural India has large consuming class with 41 percent of India's middle-class and 58 percent of the total disposable income. The Corporate sectors have already realized the vast opportunities, existing in the rural sector and are trying to harness these with their strategies specially aimed at rural markets. Indian Fast Moving Consumer Goods (FMCG) industry has a long history. However, the Indian FMCG industry began to take shape only the last fifty years. The Indian FMCG sector is the fourth largest sector in the economy with sum of domestic consumption capacity of nearly 20 billion U.S. Dollar & a total market size of US$ 25 billion as of 2007 and it is reach US$ 30 billion in 2010. The sector generates 7% of total factory employment in the country and is creating employment for three and half million people, especially in small towns and rural India. With the average growth of Indian economy in the range of 6-8% per year will witness a consistence rise in demand and purchasing power of Indian market. The FMCG sector will grow by 5-6% per year in mature categories and 8-10% per year in upcoming categories. Presently, the FMCG sector is one of the largest in the country, which accounts for more than 14.5 per cent of GDP.

The FMCG sector consists of three product categories, each with its own hosts of products that have relatively quick turnover and low costs: *Household Care, Personal Care and Food & Beverage*. Indian customers' for FMCGs are shifting towards higher lifestyle categories like skin care, hair care, deodorants, convenience foods, health foods etc. In fact, skin care, hair care, deodorants, convenience foods, and health foods are expected to experience notably higher growth than others in the near term, spurring various types of MNC investments to improve their lifestyle products businesses. More than 200 million people were shifted towards processed and packaged food up to 2010. For personal care lifestyle products, consumers are becoming increasingly willing to pay premium prices for them. This trend has compelled some companies to raise prices and even create products aimed at the premium segment. In fact, deodorants, hair dyes and shampoos alone helped the FMCG industry to grow by 23% in 2010 and 18% in the same period in 2009. The skin care and cosmetics market was grow by 18%. India's anti-ageing products market doubled from 2009. With the growing market the anti-dandruff shampoo was grow 22% and hair dye 30%. According to industry estimates, It is expected to continue to grow at a faster pace in coming years, the organized deodorant market, which is replacing the traditional talcum powders market (especially in the major metropolitan areas), is growing at 15% annually.

Even today, the Indian FMCG industry continues to suffer from a definitional dilemma as well as the exact estimation of market size. The Indian Consumer market size is reached at US$ 450 billion in 2010 and is projected to grow at 13 per cent per annum to reach US$ 590 billion by 2011–12. More than Rs. 43,000 crores (in organized sector) fast moving consumer goods (FMCG) industry is a critical component of the Indian economy. However, factors such as low rural penetration, dependence on monsoon, the price sensitivity of the consumers and
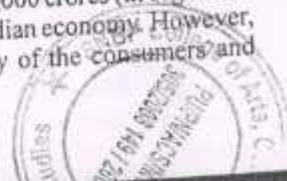
"Indian FMCG Sector-Growing Trend and Booming Opportunity"

increased level of competition could result in decreasing profit margin in the industry, The Indian FMCG sector is primarily a low margin business, where success depends on the volume. The FMCG sector is among the largest employers in India and livelihood of 13 million people associated with it across 8 million Kiranas are directly depended on it and indirectly, 25 million more people employed at wholesalers, distributors, stockiest, etc are also affected with well being of sector. Due to this sector has potential to drive growth by 2010, in 2013 it is to be estimated US$ 33.4 billion and by 2015, the sector is predicted to scale up to US$ 47 billion and US$95 billion by 2018 .

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. FMCG goods are popularly named as consumer packaged goods. Items in this category include all consumables (other than groceries/ pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods. These items are meant for daily of frequent consumption and have a high return.

At present, urban India accounts for 66% of total FMCG consumption, with rural India accounting for the remaining 34%. However, rural India accounts for more than 40% consumption in major FMCG categories such as personal care, fabric care, and hot beverages. In urban areas, home and personal care category, including skin care, household care and feminine hygiene, will keep growing at relatively attractive rates. Within the foods segment, it is estimated that processed foods, bakery, and dairy are long-term growth categories in both rural and urban areas. The growing incline of rural and semi-urban folks for FMCG products will be mainly responsible for the growth in this sector, as manufacturers will have to deepen their concentration for higher sales volumes.

Major Players in this sector include Hindustan Unilever Ltd., ITC (Indian Tobacco Company), Nestlé India, GCMMF (AMUL), Dabur India, Asian Paints (India), Cadbury India, Britannia Industries, Procter & Gamble Hygiene and Health Care, Marico Industries, Nirma, Coca-Cola, Pepsi and others. As per the analysis by ASSOCHAM, Companies Hindustan Unilever Ltd, Dabur India originates half of their sales from rural India. While Colgate Palmolive India and Marico constitutes nearly 37% respectively, however Nestle India Ltd and GSK Consumer drive 25 per cent of sales from rural India.

Growth Prospect

(1) Large Market - India has a population of more than 1.150 Billions which is just behind China. According to the estimates, by 2030 India population will be around 1.450 Billion and will surpass China to become the World largest in terms of population. 70% of the nation's population that means rural India can bring in the much-needed volumes and help FMCG companies to log in volume-driven growth. That should be music to FMCGs who have already hit saturation points in urban India. At the macro level, Indian economy is poised to remained buoyant and grow at more than 7%. The economic growth would impact large proportions of the population thus leading to more money in the hands of the consumer. Changes in demographic composition of the population and thus the market would also continue to impact the FMCG industry.

(2) Spending Pattern - Recent survey conducted by a leading business weekly, approximately 47 per cent of India's 1 + billion people were under the age of 20, and teenagers among them numbered about 160 million. Together, they wielded INR 14000 Cr worth of discretionary income, and their families spent an

India Overtakes China in 2030
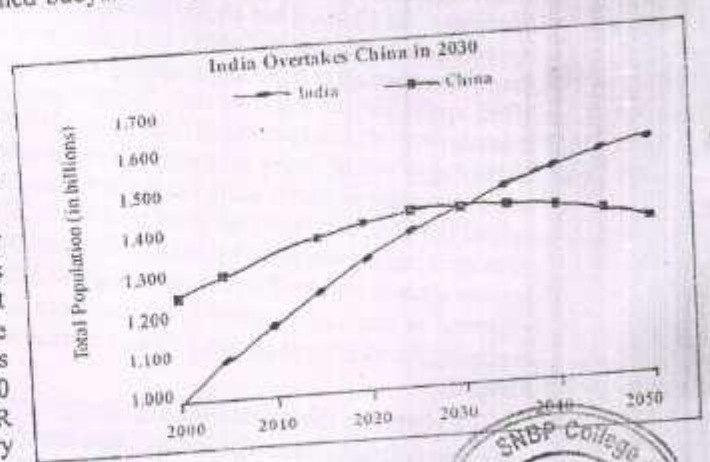
additional INR 18500 Cr on them every year. By 2015, Indians under 20 are estimated to make up 55% of the population - and wield proportionately higher spending power. Means, companies that are able to influence and excite such consumers would be those that win in the market place. FMCG Industry which is directly related to the population is expected to maintain a robust growth rate.

An increase is spending pattern has been witnessed in Indian FMCG market. There is an upward trend in urban as well as rural market and also an increase in spending in organized retail sector. An increase in disposable income, of household mainly because of in-crease in nuclear family where both the husband and wife are earning, has leads to growth rate in FMCG goods.

(3) **Changing Profile and Mind Set of Consumer** - People are becoming conscious about health and hygienic. There is a change in the mind set of the Consumer and now looking at "Money for Value" rather than "Value for Money". We have seen willingness in consumers to move to evolved products/ brands, because of changing lifestyles, rising disposable income etc. Consumers are switching from economy to premium product even we have witnessed a sharp increase in the sales of packaged water and water purifier. Findings according to a recent survey by A. C. Nielsen shows about 71 per cent of Indian take notice of packaged goods' labels containing nutritional information compared to two years ago which was only 59 per cent.

(4) **Advantages to the Sector- Governmental Policy** - Indian Government has enacted policies aimed at attaining international competitiveness through lifting of the quantitative restrictions, reducing excise duties, automatic foreign in-vestment and food laws resulting in an environment that fosters growth. 100 per cent ex-port oriented units can be set up by government approval and use of foreign brand names is now freely permitted. India is second largest Country in terms of Population growth and increase in population has a direct relation to FMCG Products. Survey by A. C. Nielsen shows about 71 per cent of Indian take notice of packaged goods' labels containing nutritional information compared to two years ago which was only 59 per cent.

(5) **Central & State Initiatives** - Recently Government has announced a cut of 4 per cent in excise duty to fight with the slowdown of the Economy. This announcement has a positive impact on the industry. But the benefit from the 4 per cent reduction in excise duty is not likely to be uniform across FMCG categories or players. The changes in excise duty do not impact cigarettes (ITC, Godfrey Phillips), biscuits (Britannia Industries, ITC) or ready-to-eat foods, as these products are either subject to specific duty or are exempt from excise. Even players with manufacturing facilities located mainly in tax-free zones will also not see material excise duty savings. Only large FMCG-makers may be the key ones to bet and gain on excise cut.

(6) **Foreign Direct Investment (FDI)** - Automatic investment approval (including foreign technology agreements within specified norms), up to 100 per cent foreign equity or 100 per cent for NRI and Overseas Corporate Bodies (OCBs) investment, is allowed for most of the food processing sector except malted food, alcoholic beverages and those reserved for small scale industries (SSI). There is a continuous growth in net FDI Inflow.

(7) **Infrastructure** - At the macro-level, over the long term, the efforts on the infrastructure front (roads, rails, power, river linking) are likely to enhance the living standards across India. Till date, India's per capita consumption of most FMCG products is much below world averages. This is the latent potential that most FMCG companies are looking at. Even in the much-penetrated categories like soaps/ detergents companies are focusing on getting the consumer up the value chain. Going forward, much of the battle will be fought on sophisticated distribution strengths

(8) **Market Opportunities -**

  (i) **Vast Rural Market-** Rural India accounts for more than 700 Million consumers, or ~70 per cent of the Indian population and accounts for ~50 per cent of the total FMCG market. The working rural population is approximately 400 Millions. And an average citizen in rural India has less than half of the purchasing power as compare to his urban counterpart. Still there is an untapped market and most of the FMCG Companies are taking different steps to capture rural market share. The market for FMCG products in rural India is estimated ~ 52 per cent and is projected to touch ~60 per cent

within a year. Hindustan Unilever Ltd is the largest player in the industry and has the widest market coverage.

(ii) Export - **"Leveraging the Cost Advantage"** - Cheap labor and quality product & services have helped India to represent as a cost ad-vantage over other Countries. Even the Government has offered zero import duty on capital goods and raw material for 100% export oriented units. Multi National Companies out-source its product requirements from its Indian company to have a cost advantage. India is the largest producer of livestock, milk, sugarcane, coconut, spices and cashew apart from being the second largest producer of rice, wheat, fruits & vegetables. It adds a cost advantage as well as easily available raw materials.

(9) **Sectoral Opportunities** - Major Key Sectoral opportunities for Indian FMCG Sector are mentioned below:

(i) *Dairy Based Products*- India is the largest milk producer in the world, yet only around 15 per cent of the milk is processed. The organized liquid milk business is in its infancy and also has large long-term growth potential. Even investment opportunities exist in value-added products like desserts, puddings etc.

(ii) *Packaged Food*- Only about 10-12 per cent of output is processed and consumed in packaged form, thus highlighting the huge potential for expansion of this industry.

(iii) *Oral Care*- The oral care industry, especially toothpastes, remains under penetrated in India with penetration rates around 50 per cent. With rise in per capita incomes and awareness of oral hygiene, the growth potential is huge. Lower price and smaller packs are also likely to drive potential up trading.

(iv) *Beverages*- Indian tea market is dominated by unorganized players. More than 50% of the market share is capture by unorganized players highlighting high potential for organized players.

# INDIAN COMPETITIVENESS AND COMPARISON WITH THE WORLD MARKETS

The following factors make India a competitive player in FMCG sector:

- Availability of raw materials-Because of the diverse agro-climatic conditions in India, there is a large raw material base suitable for food processing industries. India is the largest producer of livestock, milk, sugarcane, coconut, spices and cashew and is the second largest producer of rice, wheat and fruits &vegetables. India also produces caustic soda and soda ash, which are required for the production of soaps and detergents. The availability of these raw materials gives India the location advantage.

- Consider this statistics from a National Council of Applied Research (NCAER) survey: lower income group is expected to shrink from over 60 percent (1996) to 20 per cent by 2007 and the higher income group is expected to rise by more than 100 per cent.

- Value-volume trade-off

- Labor cost comparison - Low cost labor gives India a competitive advantage. India's labor cost is amongst the lowest in the world, after China & Indonesia. Low labor costs give the advantage

Labor Cost Comparison

Labor Cost per Worker
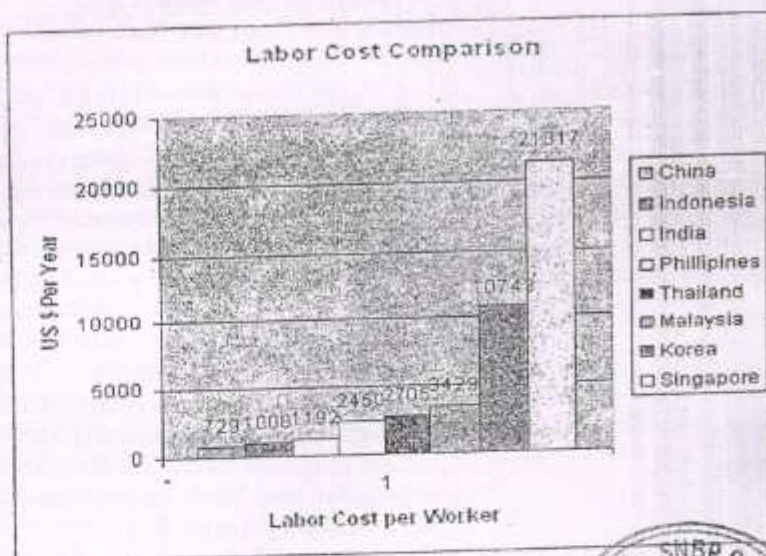
of low cost of production. Many MNC's have established their plants in India to outsource for domestic and export markets.

- Presence across value chain- Indian companies have their presence across the value chain of FMCG sector, right from the supply of raw materials to packaged goods in the food-processing sector. This brings India a more cost competitive advantage. For example, Amul supplies milk as well as dairy products like cheese, butter, etc.

- Rural marketing has become the latest marketing mantra of most FMCG majors. True, rural India is vast with unlimited opportunities. All waiting to be tapped by FMCGs. Not surprising that the Indian FMCG sector is busy putting in place a parallel rural marketing strategy. Among the FMCG majors, Hindustan Lever, Marico Industries, Colgate-Palmolive and Britannia Industries are only a few of the FMCG majors who have been gung-ho about rural marketing.

- Not just rural population is numerically large; it is growing richer by the day.

- The Indian FMCG market has been divided for a long time between the organized sector and the unorganized sector. While the latter has been crowded by a large number of local players, competing on margins, the former has varied between a two-player-scenario to a multi-player one

- Unlike the U.S. market for fast moving consumer goods (FMCG), which is dominated by a handful of global players, India's Rs.460 billion FMCG market remains highly fragmented with roughly half the market going to unbranded, unpackaged home made products. This presents a tremendous opportunity for makers of branded products who can convert consumers to branded products. However, successfully launching and growing market share around a branded product in India presents tremendous challenges. Take distribution as an example. India is home to six million retail outlets and super markets virtually do not exist. This makes logistics particularly for new players extremely difficult. Other challenges of similar magnitude exist across the FMCG supply chain. The fact is that FMCG is a structurally unattractive industry in which to participate. Even so, the opportunity keeps FMCG makers trying.

INDIAN CONSUMER CLASS

India has a population of over 1 billion and 4 climatic zones . Several religious and personal beliefs, 15 official languages, different social customs and food habits characterize Indian consumer class. Besides, India is also different in culture if compared with other Asian countries. Therefore, India has high distinctiveness in demand and the companies in India can get lot of market opportunities for various classes of consumers. Consumer goods marketers' experience that dealing with India are like dealing with many small markets at the same time. Indian consumer goods market is to be reach at $450 billion in 2010. India has the youngest population amongst the major countries. There are a lot of young people in India in different income categories.

Consumer goods marketers are often faced with a dilemma regarding the choice of appropriate market segment. In India they do not have to face this dilemma largely because rapid urbanization, increase in demand, changing habits & life style, presence of large number of young population, many number of opportunities are available. The bottom line is that Indian market is changing rapidly and is showing unprecedented consumer business opportunity. As the restrictions on foreign investments were relaxed in 1991, Multi-National Companies have been entering India since then. Indian consumer class can be classified according to the following criteria:

1. Income
2. Socio-Economic status
3. Age demographics
4. Geographical dispersion

FMCG - AS A CAREER

FMCG is one of the most dynamic domains of the business world. A career in this sector encompasses a large number of job roles like market research, pricing and product development, purchasing, advertising and

"Indian FMCG Sector-Growing Trend and Booming Opportunity"

Strengths:	Weaknesses:
1. Low operational costs.	1. Lower scope of investing in technology and achieving economies of scale, especially in small sectors.
2. Presence of established distribution networks in both urban and rural areas.	2. Low exports levels.
3. Presence of well-known brands in FMCG sector.	3. "Me-too" products, which illegally mimic the labels of the established brands.
Opportunities:	Threats:
1. Untapped rural market.	1. Removal of import restrictions resulting in replacing of domestic brands.
2. Rising income levels i.e. increase in purchasing power of consumers.	2. Slowdown in rural demand.
3. Large domestic market- a population of over one billion.	3. Duplication of products.
4. Export potential.5. High consumer goods spending.	4. Tax and regulatory structure.

brand awareness. FMCG is a sector where graduates can gain excellent rewards if they work hard. FMCG products are those that move off the shelves in retail outlets very quickly. In the Fast Moving Consumer Goods (FMCG) sector, one needs to be fast in translating the ideas into new products. There is a requirement to create the products that people trust, enjoy and use in their daily lives. Advertising and marketing have a vital role to play in this. FMCG sector requires huge amount of commercial awareness; one must have the skills of a team player. Apart from that, good numerical skills, communication and organizational skills are all essential for a successful career in this industry. Key skills will also depend upon the type of position you want to pursue,

Here are seven good reasons why one should pursue one's career in FMCG sector:-

1. **Job security:** It is a stable industry. Unlike some other industries, such as automobiles, computers, and airlines, FMCG industry does not suffer from mass layoffs, every time the economy starts to dip. One may drop the idea of buying a car but not the idea of having dinner. This lends FMCG a level of job security unknown in other industries.

2. **A high profile industry:** India has 1.1 billion people and all are consumers. Therefore everyone is affected by FMCG sector. People now are getting more & more health conscious. They are getting concerned about what they are eating. All this has become possible because of the frequent display of various advertisements, such as protests against the genetic modification of foods, the growing problem of obesity, etc.

3. **Quick experience:** Consider an example: One person is working in the sales of cars while the other one is working in the sales of juice. At the end of the month, the person who is working for the sales of cars makes a maximum of 2 or 3 sales, if he is fortunate. On the other hand, the other person sells a large number of products every day. Definitely, the juice seller will get more experienced in less time working in FMCG than any other sector, no matter whether in sales, marketing, operations, accounting, etc. In the end, one will land up learning more and gaining a firm grasp of basic business skills.

4. **A wide range of experience:** One can have a wide range of choices if one desires a career path in FMCG sector. Wide availability of options for working in a large MNC or a small local company ensures that people in FMCG sector have a range of job roles available to them. The "fast moving" part of FMCGs requires people who are flexible. Transfer from sales to marketing or to operations is very common. In fact all three roles can be played at once in smaller firms. One will get to learn a lot, even if one enters this sector for a short duration.

5. **An industry that thrives on innovation:** FMCG sector gives the opportunity to do creative work. There is a constant requirement of innovation in production, advertising, packaging and branding. FMCG
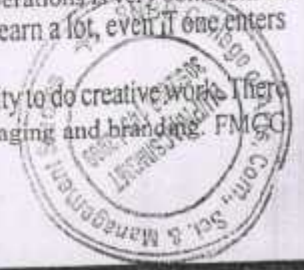
offers an opportunity to express your creativity through developing new ideas for products, as brands compete head to head on the shelf.

6. **Nationwide opportunities, both urban and rural:** FMCG sector offers opportunities through its connection to the primary sector in rural and urban areas. The sector is particularly attractive for those interested in working in different parts of the country, as it has a nationwide base, unlike many other sectors confined to particular locations.

7. **Offshore opportunities:** The International offices of most FMCG multinationals regularly recruit staff from our country, either for short projects or for longer stints.

FMCG PLAYERS DO NOW

Focusing customer, Late Mahatma Gandhi- the father of our nation had made a visionary and deep meaningful statement at Johannesburg, South Africa in 1890- " *A customer is most important visitors on our premises. He is not dependent on us. We are dependent on him. He is not an interruption on our work. He is the purpose of it and not an outsider on our premises. He is a part of it. We are not doing him a favour by serving him. He is doing us favour by giving us the opportunity to do so.*" Even today this statement is true and there is no business without customer in future too. Therefore every business has to add the customer and also retain them the FMCG players should -

- They should not only price their products competitively, but also offer their rural prospects maximum value for money spent. Certainly, reaching out to 3.33 million retail outlets is an uphill task. The only way out for Indian FMCG players: put in place an aggressive cost structure that would enable them to offer low-price and value-for-money products. But then, FMCG is a low-margin business with a high cost of raw materials. However, customer-centric and market-savvy FMCG companies have always chased prospects when they perceive there is a latent demand

  Hindustan Lever had given shape to its rural strategy a few years ago when it perceived that its urban market was shrinking due to an industrial slowdown. It's Operation Bharat that focused on personal care products made the most out of surging rural incomes. The result was there for all to see. The company has been able to clock in double-digit profits every three years and log in double-digit revenues every four years. Britannia with its Tiger brand of biscuits and Colgate-Palmolive with its low-priced and conveniently-packaged products designed for the rural masses have been other pioneers in rural marketing.

- Distribution: One of the age-old problems that FMCG has been facing not only in India but globally is that of distribution. Integrating operations with your distributors and channel partners is a Herculean task. Few ways to reduce pain involved in this link: - Reducing supply chain costs by reducing intermediaries - Organized retail chains have set up systems for inventory management and quick servicing, thereby offering the opportunity for a company/supplier to reduce distribution cost by reducing intermediaries such as wholesalers/distributors and supplying directly to the warehouse of retail chain.

- Brand Managers to Business Managers: Tough market situations and a more aware and savvier demanding consumer have necessitated that yesterday's Brand Managers be transformed into Business Managers who understand consumers and can innovate and be flexible to move with the consumer. Gone are the days when brands could be made to gallop with a big budget media plan, a generous dose of below-the-line and above-the-line activities and constant promotions and schemes in the market. Consumers who have become demanding yet inscrutable in terms of attitudes, outlook, moods and have rendered conventional Brand Management tools obsolete. This makes it all the more constantly innovate. This
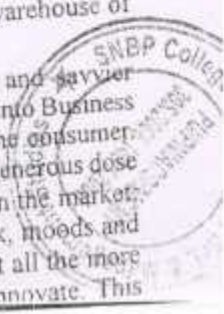
"Indian FMCG Sector-Growing Trend and Booming Opportunity"

from available sources. Immerse oneself in the consumer's life space. Connect this insight to a usable platform/ idea. Executing it in a format that solves the challenge he started with.

CONCLUSION

Rural marketing could open the doors of paradise, but the path is paved with thorns. One major limitation here is this: most FMCG players just do not have the critical size for going all out for rural marketing. That is why most FMCG players are expected to concentrate both on rural and urban marketing: focus on urban markets for value and focus on rural markets for volume. Rural marketing has become the latest marketing mantra of most FMCG majors to pick up the vast with unlimited opportunities of rural India. One result-oriented marketing strategy here is this: offer value-additions to existing lines to lure the urban consumer and alongside offer the rural consumer wide-ranging choices within a single product category in a bid to generate high volumes. Companies should not only price their products competitively, but also offer their rural prospects maximum value for money they spent.

REFERENCES

1. Aydyn Celen (June 2005), 'Fast Moving Consumer Goods-Competitive Conditions and Policies', ERC Working Papers in Economics 05/03.

2. Belinda Dewsnap, David Jobber (*February 2003*), 'Re-thinking Marketing Structures in the Fast Moving Consumer Goods Sector: An Exploratory Study of UK Firms', Working Paper Series- Working Paper No 03/06.

3. Ghalla Bhansali (Jan, 28 2009), ' Changing Gear – The merging States for FMCG in India', www.ghallabhansali.com, FMCG SECTOR, Page 2.

4. John W. Schouten & James H. Mc Alexander & Harold F.Koenig. (9 May 2007), 'Transcendent customer experience and brand community', Academy of Marketing Science 2007, 35:357–368.

5. Prasun Das (April 2009), 'Adaptation of Fuzzy Reasoning and Rule Generation for Customers. Choice in Retail FMCG Business', Journal of Management Research Vol. 9, No. 1, pp. 15-26.

6. *Radiohms Agencies Limited (May 04, 2009)*, 'India's largest FMCG Company', Global Press Release Distribution.

7. *Saeed Khan* (April 2008),' FMCG Markets in India – the next big thing?' http://ssrn.com/abstract=1137506 FMCG Sector IBEF.

8. http://www.dqindia.com.

IT
Innovations for
ORGANIZATIONAL
EXCELLENCE

Edited by
ASHWINI SHARMA
ALOK BANSAL
YOGESHWARI PHATAK
RAJ KISHORE SHARMA

PRESTIGE INSTITUTE OF MANAGEMENT AND RESEARCH, INDORE
EXCEL BOOKS

Contents

Knowledge Management in Knowledge Economy: An Emerging Perspective

Sudhir A. Atwadkar*
Reshma T. Nathani**

The knowledge economy is a term that refers either to an economy of knowledge focused on the production and management of knowledge in the frame of economic constraints. Knowledge Management is about making the collective information and experience of an enterprise available to individual worker. The organization should start knowledge management practices for their growth and survival in this competitive era. Knowledge management practices require proper framework and flexible technology in the organization. The paper discusses the framework and driving forces of knowledge management with in the knowledge economy for overall and continuous improvement of the organization.

Keywords: Knowledge Management, Knowledge Economy, Explicit Knowledge, Tacit Knowledge.

INTRODUCTION

Data, Information and Knowledge

Data are raw facts and figures. Information is processed form of data and readily captured in documents and databases. Knowledge is information plus experience to act upon. There are two types of knowledge: Explicit and Implicit. Explicit knowledge is formal or codified like, reports, policy manuals, white papers, standard procedures, public databases, books, magazines, journals, etc. Implicit (Tacit) knowledge is informal and uncodified like, values, perspectives, culture, knowledge in heads, memories of staff, suppliers and vendors, etc.

* Assistant Professor, Institute of Business Management and Research, Pune.
** Senior Lecturer, Alard Institute of Management and Sciences, Pune.

Knowledge Management

KM is a strategy to enable people to develop a set of practices to create, captures, share and use knowledge. It is a discipline that promotes an integrated approach for identifying, managing and sharing all of an enterprise's information assets, including databases, documents, policies, and procedures, as well as previously unarticulated expertise and experience held by individual workers. Fundamentally it is about making the collective information and experience of an enterprise available to individual worker. KM efforts have a long history, to include on-the-job discussions, formal apprenticeship, discussion forums, corporate libraries, professional training and mentoring programs. More recently, with increased use of computers in the second half of the 20th century, specific adaptations of technologies such as knowledge bases, expert systems, knowledge repositories, group decision support systems, intranets and computer supported cooperative work have been introduced to further enhance such efforts.

Many large companies and non-profit organizations have resources dedicated to internal Knowledge Management (KM) efforts, often as a part of their business strategy. Several consulting companies also exist that provide strategy and advice regarding KM to these organizations. An established discipline of KM includes courses taught in the fields of business administration, information systems, management and library and information sciences. More recently, other fields have started contributing to KM research; these include information and media, computer science, public health, and public policy. KM comprises a range of practices used in an organization to identify, create, represent, distribute and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organizational processes or practice.

KM efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, and continuous improvement of the organization. KM efforts overlap with organizational learning, but may be distinguished from that by a greater focus on the management of knowledge as a strategic asset and by a focus on encouraging the sharing of knowledge. KM efforts can help individuals and groups to share valuable organizational insights, to reduce redundant work, to avoid reinventing the wheel per se, to reduce training time for new employees, to retain intellectual capital as employee turnover in an organization, and to adapt to changing environments and markets.

Knowledge Economy

The knowledge economy is a term that refers either to an economy of knowledge focused on the production and management of knowledge in the frame of economic constraints, or to a knowledge-based economy. In the second meaning, it refers to the use of knowledge technologies (such as knowledge engineering and knowledge management) to produce economic benefits. The essential difference is that in a knowledge economy, knowledge is a product, in knowledge-based economy, knowledge is a tool. This difference is not yet well distinguished in the subject matter literature. Both are strongly interdisciplinary, involving economists, computer scientists, software engineers, mathematicians, chemists, physicists, as well as cognitivists, psychologists and sociologists. Various observers describe today's global economy as one in transition to a knowledge economy, as an extension of an information society. The transition requires that the rules and practices that determined success in the industrial economy need rewriting in an interconnected, globalized economy where

knowledge resources such as know-how and expertise are as critical as other economic resources. According to analysts of the knowledge economy, these rules need to be rewritten at the levels of firms and industries in terms of knowledge management and at the level of public policy as knowledge policy or knowledge-related policy.

KNOWLEDGE CREATING PROCESS

How the knowledge creating process works in an organization? The answer lies with how organization engages the tacit and explicit knowledge in the process. It can't be just one way or the other. The process works by different linking process of these two types of knowledge in the organization. Knowledge creating process is a continuous, self-transcending process. As knowledge is created among individuals or between individual and the environment, individuals transcend the boundary between self and others and between self and environment. There are four types of knowledge creating processes: Socialization, Externalization, Combination and Internalization (Figure 1).
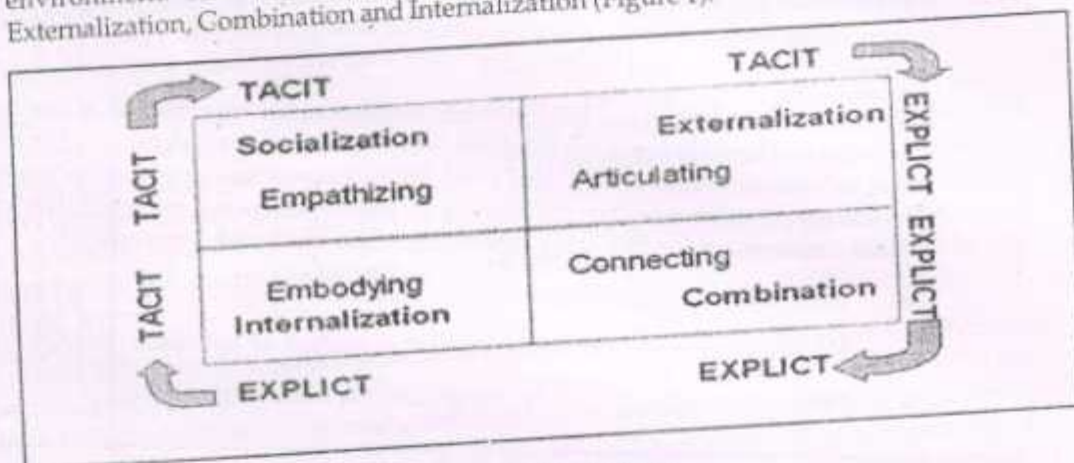

Figure 1: SECI Model

Socialization: This process focuses on tacit to tacit knowledge linking. Tacit knowledge goes beyond the boundary and new knowledge is created by using the process of interactions, observing, discussing, analyzing, spending time together or living in same environment. The socialization is also known as converting new knowledge through shared experiences. Organizations gain new knowledge from outside its boundary also like interacting with customers, suppliers and stack holders. This occurs in traditional environments where son learns the technique of wood craft from his father by working with him (rather than reading from books or manuals).

Externalization: This process focuses on tacit to explicit knowledge linking. It helps in creating new knowledge as tacit knowledge comes out of its boundary and became collective group knowledge. In this process one can say that knowledge is crystallized. The process of externalization is often driven by metaphor analogy and models. Quality circles are formed in manufacturing sectors where workman put their learning and experience they have to improve or solve the process related problems.

Combination: Combination is a process where knowledge transforms from explicit knowledge to explicit knowledge. The finance department collects all financial reports from each

department and publicizes a consolidated annual financial performance report. Creative use of database to get business report, sorting, adding, categorizing are some examples of combination process.

Internalization: By internalization explicit knowledge is created using tacit knowledge and is shared across the organization. When this tacit knowledge is read or practiced by individuals then it broadens the learning spiral of knowledge creation. Organization tries to innovate or learn when this new knowledge is shared in socialization process. Organizations provide training programs for its employees at different stages of their working with the company. By reading these training manuals and documents employees internalize the tacit knowledge and try to create new knowledge after this internalization process.

KNOWLEDGE MANAGEMENT: AN EMERGING PERSPECTIVE

Knowledge management is the hottest subject of the day. The question is - why this activity is called as knowledge management, and why is it so important to each and every one of us? Before attempting to address these questions of knowledge management, it's probably appropriate to develop some perspective regarding this stuff called knowledge, which there seems to be such a desire to manage, really is. Consider the following observation made by Fleming (1996) as a basis for thought:

A collection of data is not information; a collection of information is not knowledge; a collection of knowledge is not wisdom; and a collection of wisdom is not truth. The idea is that information, knowledge, and wisdom are more than simply collections. Rather, the whole represents more than the sum of its parts and has a synergy of its own (Figure 2). Thus, in summary the following associations can reasonably be made:

- Information relates to description, definition, or perspective (what, who, when, where).

- Knowledge comprises strategy, practice, method, or approach (how).

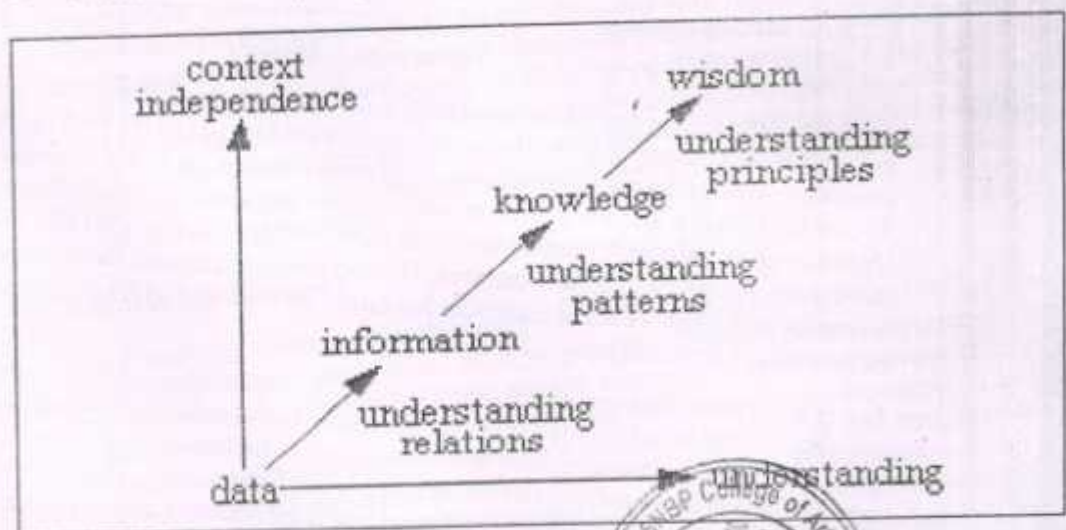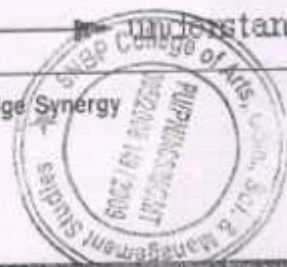- Wisdom embodies principle, insight, moral, or archetype (why).

Figure 2: Knowledge Synergy

Note that the sequence data -> information -> knowledge -> wisdom represents an emergent continuum. That is, although data is a discrete entity, the progression to information, to knowledge, and finally to wisdom does not occur in discrete stages of development. Everything is relative, and one can have partial understanding of the relations that represent information, partial understanding of the patterns that represent knowledge, and partial understanding of the principles which are the foundation of wisdom. Data, information, knowledge and wisdom are jointly explained with the help of example. This example uses a bank savings account to show how data, information, knowledge, and wisdom relate to principal, interest rate, and interest payment (Figure 3).

Data: The figures 100 or 5 percent, completely out of context and are just pieces of data. Similarly, figures of interest, principal, and interest rate, out of context and are not much more than data as each has multiple meanings which are context dependent.

Information: If client establish a bank savings account as the basis for context, then interest, principal, and interest rate become meaningful in that context with specific interpretations like - principal is the amount of money, $100, in the savings account and interest rate, 5 percent, is the factor used by the bank to compute interest on the principal.

Knowledge: If client put $100 in savings account, and the bank pays 5 percent interest yearly, then at the end of one year the bank will compute the interest of $5 and add it to client's principal and he/she will have $105 in the bank. This pattern represents knowledge, which allows to understand how the pattern will evolve over time and the results it will produce. In understanding the pattern, what client knows is knowledge. If client deposit more money in account, he/she will earn more interest, while if withdraw money from account, he/she will earn less interest.

Wisdom: Getting wisdom out of this is a bit tricky, and is, in fact, founded in systems principles. The principle is that any action which produces a result and which encourages more of the same action produces an emergent characteristic called growth. And, nothing grows forever for sooner or later growth runs into limits. If one studied all the individual components of this pattern, which represents knowledge, they would never discover the emergent characteristic of growth. Only when the pattern connects, interacts, and evolves over time, does the principle exhibit the characteristic of growth.
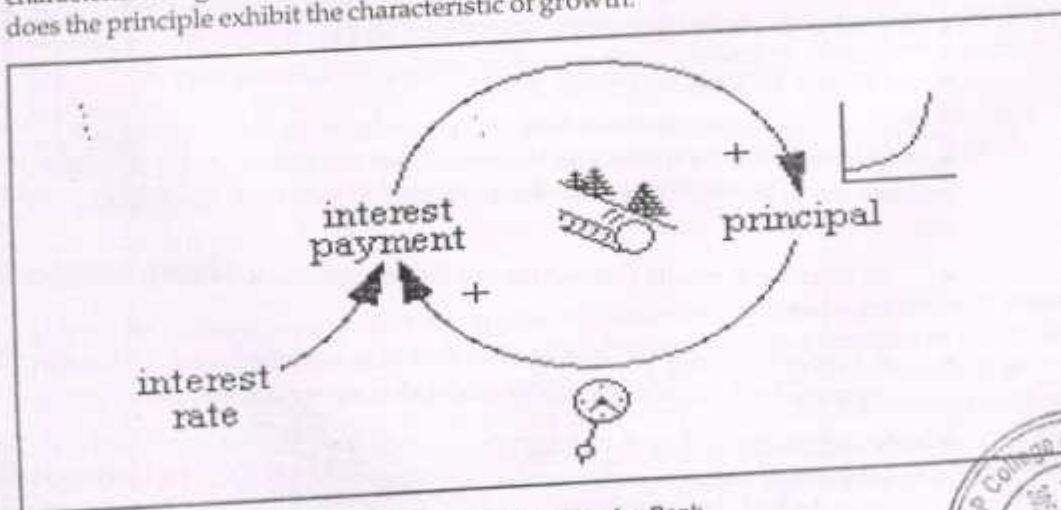

Figure 3: Example of a Bank

CATEGORIZATION OF KM APPROACHES

There are, of course, many ways to slice up the multi-faceted world of knowledge management. However, it is often useful to categorize them. Three part categorization of KM approaches are: (i) Mechanistic approaches, (ii) Cultural/Behavioristic approaches, and (iii) systematic approaches to knowledge management.

Mechanistic approaches to knowledge management: Mechanistic approaches to knowledge management are characterized by the application of technology and resources to do more for the same matter. The main assumptions of the mechanistic approach include:

- Better accessibility to information is a key, including enhanced methods of access and reuse of documents (hypertext linking, databases, full-text search, etc.)

- Networking technology in general (especially intranets), and groupware in particular, will be key solutions.

- In general, technology and sheer volume of information will make it work.

Cultural/behavioristic approaches to knowledge management: Cultural/behavioristic approaches, with substantial roots in process re-engineering and change management, tend to view the knowledge problem as a management issue. Technology - though ultimately essential for managing explicit knowledge resources - is not the solution. These approaches tend to focus more on innovation and creativity than on leveraging existing explicit resources or making working knowledge explicitly. Assumptions of cultural/behavioristic approaches often include:

- Organizational behaviors and culture need to be changed dramatically. In the information-intensive environments, organizations become dysfunctional relative to business objectives.

- Organizational behaviors and culture can be changed, but traditional technology and methods of attempting to solve the "knowledge problem" have reached their limits of effectiveness. A "holistic" view is required. Theories of behavior of large-scale systems are often invoked.

- It is the processes that matter, not the technology.

- Nothing happens or changes unless a manager makes it happen.

Systematic Approaches to Knowledge Management: Systematic approaches to knowledge management retain the traditional faith in rational analysis of the knowledge problem: the problem can be solved, but new thinking of many kinds is required. Some basic assumptions are:

- Its sustainable results that matter, not the processes or technology or any definition of knowledge.

- A resource cannot be managed unless it is modeled, and many aspects of the organization's knowledge can be modeled as an explicit resource.

- Solutions can be found in a variety of disciplines and technologies, and traditional methods of analysis can be used to re-examine the nature of knowledge work and to solve the knowledge problem.

- Cultural issues are important, but they too must be evaluated systematically. Employees may or may not have to be changed, but policies and work practices must certainly be changed, and technology can be applied successfully to business knowledge problems themselves.

- Knowledge management has an important management component, but it is not an activity or discipline that belongs exclusively to managers.

SUCCESS OF KNOWLEDGE MANAGEMENT PROGRAM

What is the key to the success of knowledge management in any organization? The authors have asked this question to their visitors through an opinion poll and found that 73 percent says that people are the key to the success of knowledge management. 11 percent says process is the key and 14 percent says technology is the key (rest 2% says can't say). The initial foundation for the knowledge economy was first introduced in 1966 in a book by Peter Drucker. The Effective Executive described the difference between the manual worker and the knowledge worker. He differentiated between the two by describing a manual worker who works with his hands and produces goods or services. In contrast, a knowledge worker works with his or her head not hands, and produces ideas, knowledge, and information.

The impact of a successful knowledge management program can be seen in terms of new and better product developments, higher customer satisfaction, reduce in input cost, higher productivity etc. There are many organizations who achieve all these without having a formal knowledge management program. These organizations have strong culture of innovation and sharing and must be spiraling through the knowledge creating process without even knowing the SECI model. These organizations have strong culture or sharing and innovating within their organization. A formal KM program accelerates this knowledge creating process in a structured way. For other type of organizations it facilitates the SECI model of knowledge creation.

The value of knowledge management relates directly to the effectiveness with which the managed knowledge enables the members of the organization to deal with today's situations and effectively envision and create their future. In brief, knowledge and information have become the medium in which business problems occur. As a result, managing knowledge represents the primary opportunity for achieving substantial savings, significant improvements in human performance, and competitive advantage. It's not just a fortune 500 business problem. Small companies need formal approaches to knowledge management even more, because they don't have the market leverage, inertia, and resources that big companies do. They have to be much more flexible, more responsive, and more "right" (make better decisions) - because even small mistakes can be fatal to them.

DRIVING FORCES

In the 21st century, comparative advantage will become much less a function of natural resource endowments and capital-labour ratios and much more a function of technology and skills. Mother Nature and history will play a much smaller role, while human ingenuity will play a much bigger role. What makes the emergence of the knowledge economy important is that it is, in some significant respects, different from the industrial economy known from most of the last 200 years. The following driving forces are pressurizing the

towards knowledge based economy and changing the rules of business and national competitiveness:

Globalization: Markets and products are more global. Products by Nike and Virgin are known the world over. Today, even re-sourcing is becoming global. Thus, many companies outsource services from distant locations.

Information/Knowledge Intensity: Efficient production relies on information and know-how; over 70 percent of workers in developed economies are information workers; many factory workers use their heads more than their hands.

Networking and Connectivity: Developments such as the internet bring the 'global village' ever nearer. The net result is that goods and services can be developed, bought, sold, and in many cases even delivered over electronic networks. Electronic commerce offers many advantages in terms of costs savings, efficiencies and market reach over traditional physical methods.

Information revolution: The IT revolution has intensified the move towards knowledge codification, and increased the share of codified knowledge in the knowledge stock of advanced economies. All knowledge that can be codified and reduced to information can now be transmitted around the world at relatively little cost. Hence, knowledge is acquiring more of the properties of a commodity. Market transactions are facilitated by codification, and the diffusion of knowledge is accelerated. Codification is also reducing the importance of additional, duplicative investments in acquiring knowledge. It is creating bridges between fields and areas of competence and reducing the 'dispersion' of knowledge. These developments promise an acceleration of the rate of growth of stocks of accessible knowledge, with positive implications for economic growth.

Knowledge, skills and learning: Information and communication technologies have greatly reduced the cost and increased the capacity of organizations to codify knowledge, process and communicate information. In doing so it has radically altered the balance between codified and tacit knowledge in the overall stock of knowledge. In essence, creating a shortage of tacit knowledge. As access to information becomes easier and less expensive, the skills and competencies relating to the selection and efficient use of information become more crucial, and tacit knowledge in the form of the skills becomes more important than ever.

Innovation and knowledge networks: The knowledge economy increasingly relies on the diffusion and use of knowledge, as well as its creation. Hence, the success of enterprises, and of national economies as a whole, will become more reliant upon their effectiveness in gathering, absorbing and utilizing knowledge, as well as in its creation.

Learning organizations and innovation systems: In a knowledge economy, firms search for linkages to promote inter-firm interactive learning, and for outside partners and networks to provide complementary assets. These relationships help firms spread the costs and risks associated with innovation, gain access to new research results, acquire key technological components, and share assets in manufacturing, marketing and distribution. As they develop new products and processes, firms determine which activities they will undertake individually, which in collaboration with other firms, which in collaboration with universities or research institutions, and with the support of government. Innovation is thus, the result of numerous interactions between actors and institutions, which together form an innovation system. Those innovation systems consist of the flows and relationships, which exist among

industry, government and academia in the development of science and technology. And the interactions within these systems influence the innovative performance of firms and ultimately of the economy. The 'knowledge distribution power' of the system, or its capability to ensure timely access by innovators to relevant stocks of knowledge, is therefore, a major determinant of prosperity.

CONCLUSION

It is difficult to go it alone. Stakeholders, especially employees and business partners must share similar views for their own initiatives to succeed. Similarly, alone recognition and reward systems usually do not sufficiently recognize contributions. Therefore, knowledge management is required to play important role to improve performance of organization by viewing all its processes as knowledge processes. The competitive advantage can be acquired through people's heads called tacit knowledge intangible fuel for assets innovation. The driving forces also transforming the shape of traditional organizations into knowledge-based organizations.

References

Fleming, Neil (1996). *Coping with a Revolution: Will the Internet Change Learning?* Lincoln University, Canterbury, New Zealand.

Bibliography

Bateson, Gregory (1988). *Mind and Nature: A Necessary Unity.*

Bellinger, Gene. *Systems Thinking: An Operational Perspective of the Universe.*

Bellinger, Gene. *The Effective Organization*

Bellinger, Gene. *The Knowledge Centered Organization*

Davidson, Mike (1996). *The Transformation of Management.*

Davidson & Philip, Voss (2003). *Knowledge Management.*

Raman, Thothathri, A. *Knowledge Management- A Resource Book.*

# IT Innovations for ORGANIZATIONAL EXCELLENCE

Information technology is integrated in the fabric of all major organizations. From improving efficiency to ensuring effectiveness, IT has become a guiding force for organizational excellence. The present work is a compilation of selected papers aiming to disseminate the knowledge generated by the researchers. This book presents thoughts, ideas, experiences and findings of the practitioners and academia across the country. It has 56 chapters divided into four sections namely Technology enabled Management Practices, IT in Service Sector and E-Governance, Next Generation Computing, and Social and Security Concerns in Knowledge Economy.

These four parts of the book focus on a wide range of subjects and issues related with innovative IT practices. There is a dire need for innovative and indigenously developed IT strategies, practices and processes to cope with the current challenging and dynamic situation. Prestige Institute of Management and Research in association with Indore Chapter of Indian Society for Technical Education has organized the Fourth Annual National IT Conference on "Innovative IT Practices for Organizational Excellence" to give a platform to the researchers and practitioners to ponder upon some of the most emerging critical issues of information technology and come out with some viable solutions for organizational excellence. The objective of this book is to decipher the observations of the enthusiastic researchers of IT and management disciplines to provide a pool of updated knowledge to the interested community.
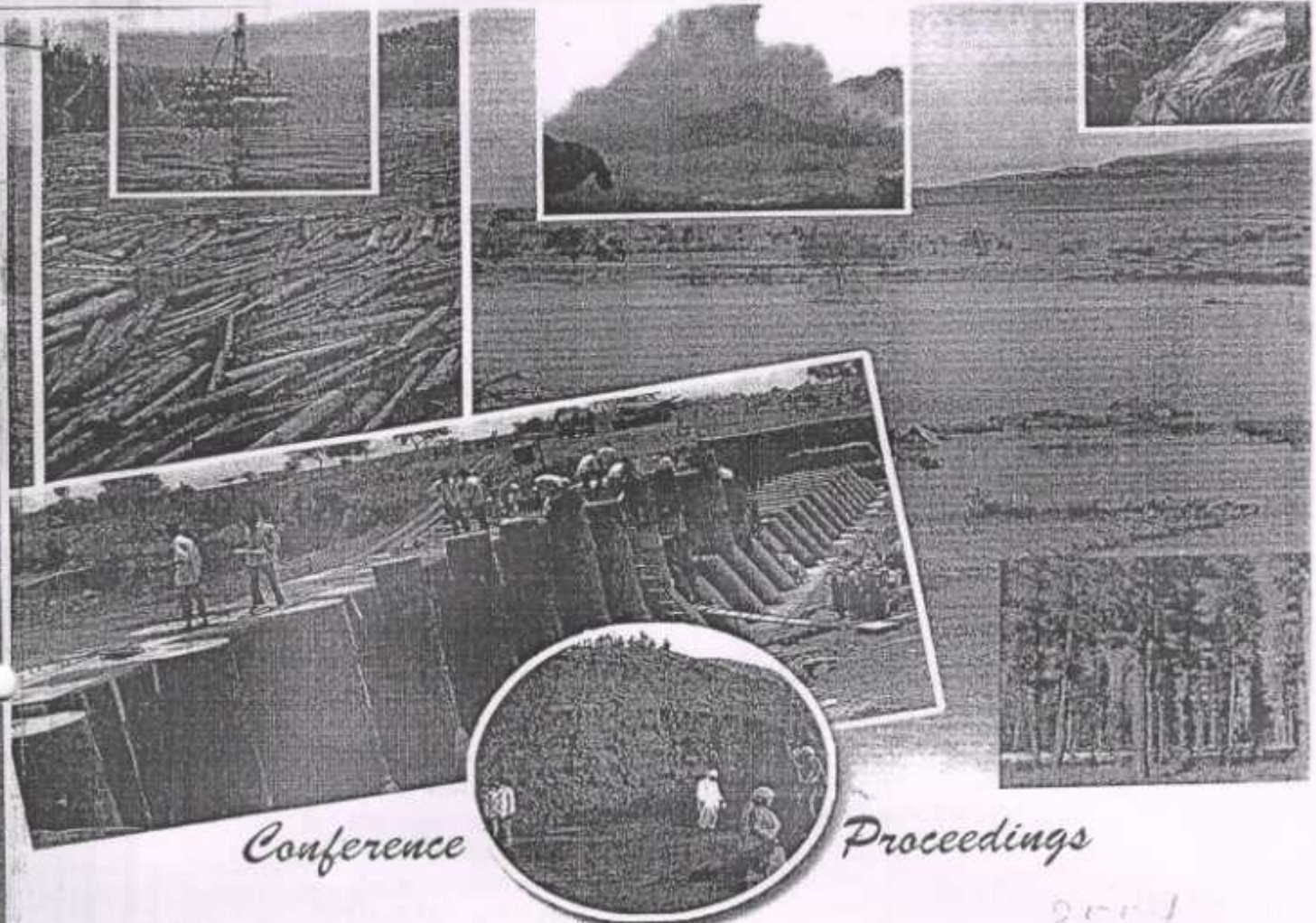
Conference *Proceedings*

BVCON 07N

Dec.7-8 , 2007

National Conference on

Natural Resources Management :
Past, Present And Future.

Organised by
Bharati Vidyapeeth University
Institute of Management and Rural
Development Administration, Sangli

IMRDA

Bharati Vidyapeeth Bhavan ,Rajwada Chowk,Sangli- 416 416 (MS)
Tel.: (0233) 2325776 Fax : (0233) 2377249

Editor
Miss M. S. Jayanthi

Energy

Human Beings

Natural Resources: General

NATURAL RESOURCE ASPECTS OF
SUSTAINABLE DEVELOPMENT
(NATURAL RESOURCES MANAGEMENT)

SUDHIR A. ATWADKAR
Alard Institute of Management Sciences, Pune.

Abstract

The term Natural resources are very wide. It includes so many things which cover all aspects of ecology. Natural resources management is the practical application of ecosystem management, habitat conservation, and sustainable land management towards protecting, conserving, and using natural resources. "Natural" resources are living organisms (flora and fauna) and non-living or a biotic material (water, air, soil, and minerals).

Some of countries are get the born gift of natural resources. But many countries are not using their natural resources properly. Today the developed & developing countries are think on properly utilization of their natural resources. For that they are more conscious and they utilize advance technology for that.

To the economy of the country, Developed countries only think about industrialization so they destroyed natural resources very roughly. Due to this the balances of ecosystem is disturb. But today the preservation and conservation of natural resources are the main problem of these countries. So they are focusing on protecting of the natural resources. For that they develop the different organization in their system. Also some of NGO's are working on preservation of natural resources. These organizations think and develop different strategies for Natural Resources Management

A main focus of integrated natural resources management is the coordination of a wide array of scientific disciplines, multiple resource types, and the federal and State agencies that have the primary responsibility for managing these resources. Interagency and Intergovernmental Coordination for

Environmental Planning provides an outline of interagency cooperation as well as the legal requirements under the Intergovernmental Coordination. Each agency has its own focus and mission when it comes to natural resources management, which can create challenges but also ensures that regional resources are protected. It is important to work with local offices of these federal and State agencies for maximum benefit.

Ecosystem

An ecosystem is a community of different species of plants and animals that interact with one another and with the chemical and physical components that make up the non-living environment, such as soil, water, and nutrients. Ecosystems perform fundamental life-support services that sustain human populations including cycling and moving nutrients, purifying water, filtering aerial pollutants, moderating drought and floods, and pollinating crops and other plants. Most of these life-support services cannot be replicated by technology. Preservation and protection of ecosystems requires that both the physical environment and communities of species be protected. It is also critical that the relationships between species be protected. Each species depends on the supporting framework provided by the physical environment, plants, soil, microorganisms, amphibians, reptiles, insects, algae, and sediment-dwelling organisms - all the

ecosystem elements interact to form a dynamic system that is interdependent (Benckiser, 1997; Killham, 1994). The ecosystem approach to natural resources management aims to protect the abiotic and biotic components of ecosystems as a way of ensuring the integrity of the whole system. The continued functioning of ecosystems is also highly dependent on many of the chemical and physical processes occurring in the ecosystem. An action that would disrupt chemical equilibria has the potential of causing adverse impacts to other components of the ecosystem. Ecosystem boundaries cannot be easily delineated. It is important to consider the impact of actions on overlapping habitats that may be only partially found on Air Force lands. Therefore, both the Air Force and outside entities must manage the resources on a regional scale for optimum benefit.

Wetlands

Wetlands are areas that are covered by water or that have waterlogged soils for significant periods during the growing season and support characteristic vegetation. They are very important to the health of an ecosystem. They help filter pollutants out of water, provide habitat for wildlife species, and serve as buffer zones to protect shorelines from erosion. Natural resources managers should determine how wetlands fit into the ecosystems they manage.

Watershed and Floodplains Protection

A watershed is an area that collects precipitation and drains it into surface water bodies, also known as "drainages" or river or stream "basins." Watersheds generally include lakes, rivers, estuaries, wetlands, streams, and the surrounding landscape. Natural resources managers should determine how to plan and work toward an economically healthy and environmentally sound watershed. Planning entails delineating the watershed and mapping the land in detail, including infrastructure, topography, hydrology, natural resources, soil types, land uses, municipalities, and potential pollution sources. The U.S. Geological Survey

(USGS) Earth Science Information Center, the EPA, and the NRCS are good sources for this information.

A floodplain is the area a river may use when it is at flood stage and may include an area much larger than the river channel itself. It is the goal to reduce the risk of flood loss; minimize the impacts of floods on human health, safety, welfare; and restore and preserve the natural and beneficial values of floodplains.

The Federal Emergency Management Agency (FEMA) has developed maps under the National Flood Insurance Program that show the locations of floodplains. These can help managers locate floodplains and develop ways to manage floods. Therefore, the installation will need to develop these them. It is important to note that floodplain delineation will change over time due to construction within the floodplain from both on and off base activities.

Coastal and Marine Resources

Coastal and marine resources include beaches, coral reefs, estuaries, and marine organisms. Many bird and fish species rely on the estuary habitat for their survival, including certain Threatened and Endangered (T/E) species. Each installation's INRMP should be consistent to the maximum extent practical, with the goals of the State's coastal zone management program. All federal facilities whose actions may affect coral reef ecosystems must protect and enhance the conditions of the ecosystem and ensure that any of these actions will not degrade the conditions of the coral reef ecosystem.

Fish and Wildlife Management

Fish and wildlife (including reptiles, amphibians and insects) are a key indicator of the health of an ecosystem and can help define the boundaries of an ecosystem. Where the habitats and ranges of species extend beyond the boundaries of installations, cooperation with State and federal agencies is critical to the management of these resources.

Forests

The objectives of forest management are

to maintain and enhance ecological integrity to support the military mission, maintain a biological balance in the forest community, and to protect watersheds and wildlife habitat. Any installation having over 500 acres of commercial forest land must develop a forest management component plan as part of the INRMP that includes plans for timber harvest, fire management, reforestation, timber stand improvement, roads

and trails, and plans for multiple use. *Integrated Natural Resource Management*, timber should never be harvested for short-term profit at the expense of long-term sustainability.

Agricultural Outleasing

"Agricultural outleasing for cropland and grazing can be used to maintain ecologically sound stewardship of public lands. Outleasing can produce a cash flow to sustain the outleasing program, enhance other aspects of the natural resources management program, and reduce the maintenance costs of semi-improved lands. However, all agricultural operations must be compatible with the military mission and long-term ecosystem management goals."

Grounds Maintenance and Land Management

Land management and grounds maintenance are essential in the preservation and effective management of an installation's ecosystems. Landscape development, design, and maintenance should minimize irrigation, pollution, and manpower needs while providing for an area that is traditional, compatible, and complimentary to the natural setting.

Pesticide management and urban forestry also play major roles in the planning and development of installation lands. Pest management programs are required to be safe, effective, and environmentally sound while reducing pollution and other risk factors associated with pesticide use. Urban forestry plans should include the use of native vegetation to beautify, reduce pollution, improve habitats, and protect the watershed. Invasive species are also a factor in land management. It is the duty of federal

agencies to prevent and control the introduction of invasive species by researching, monitoring, and responding to the removal of these species and restoration of native species and habitat. The maximum use of regionally native plant species, avoiding exotic species, reducing chemical usage, and reducing maintenance inputs in terms of energy, water, manpower, equipment, and chemicals.

Geographic Information Systems

A geographic information system (GIS) is a computer-based tool for collecting, managing, and analyzing spatially referenced and associated attribute data. Information in a GIS is stored in layers and linked together geographically. Used by individuals, government agencies, organizations, and industry, GIS presents a powerful tool to create maps, integrate information, visualize scenarios, solve complex problems and develop effective solutions. Managers can implement the capabilities of a GIS to watershed, wetlands, wildlife, and various other natural resource management applications. There are several organizations that can assist in the development of a GIS, including the National Center for Geographic Information and Analysis (NCGISA) which is dedicated to basic research and education in geographic information science. Today the Indian Government also focuses on the Environmental Sciences. They are introduce different plans for the Environmental Protection also the made the provision in Law.

Strategies, Policies and Plans

The Agricultural Development Strategy was revised in 1999, as the national strategy on sustainable agriculture and rural development (SARD). The Strategy is essentially based on the policy on food security and alleviation of hunger. A regionally differentiated strategy, based on agro climatic regional planning which takes into account agronomic, climatic and environmental conditions, will be adopted to realize the potential of growth in every region of the country. The thrust will be on ecological, sustainable use of basic resources such as land, water, and vegetation, in

such a way that it serves the objectives of accelerated growth, employment and alleviation of hunger. In the Ninth Plan, targets will be achieved through a regionally differentiated strategy based on agronomic, climatic, and environment-friendly conditions India's National Water Policy (NWP) was adopted in September 1987. The National Water Resources Council (NWRC) under the Chairmanship of the Prime Minister lays down the NWP, reviews development plans and advises on implementation. The Policy envisages strategies covering ground water development, water allocation priorities, drinking water, irrigation, water quality, water zoning, water conservation, flood control and management. In the context of water use, the main issues are the pricing of water for various end uses including drinking, irrigation and industrial use. The NWP of the Government of India accords highest priority to drinking water supply. The State Governments in India make their water policies within the overall framework of the NWP.

Major Groups Involvement

The Panchyati Raj Institutions (PRIs) will function as effective institutions of local self-governance and they will prepare plans for economic development and social justice and implement them. The PRIs will be the umbrellas for the integration of sectoral programmes with poverty alleviation and rural development programmes. The Council for Advancement of People's Action and Rural Technology (CAPART) will continue to provide projected financial assistance to voluntary organizations, which will have to play a more dynamic role in empowering the poor through advocacy, awareness generation and formation of Self-Help Groups (SHGs) during the Ninth Plan. In order to promote people's participation and create awareness, the practicing farmers, village youth and school dropouts are working as focal points for dissemination of information e.g. on low cost technology and producing plant material for conservation measures.

Programmes and Projects

• Major activities to implement the SARD policy are as follows:

• Development of crops based on regionally differentiated strategy
• Development of Horticultural crops
• Adequate and timely delivery of core Inputs
• Integrated Pest Management
• Greater use of bio-fertilizers and bio-technology
• National Agricultural Technology Project
• Rained farming and Watershed Management
• Soil and Water Conservation
• Animal Husbandry and dairying
• Development of fisheries
• Agricultural research and education
• Development of Human resources

The major thrust of the agricultural development programmes in India is on improving the efficiency in the use of scarce natural resources, namely, land, water and energy. This can be achieved only through improved productivity in a cost-effective manner, which alone could increase the welfare of the farmers and agricultural labor. Balanced and integrated use of fertilizers, agricultural credit, institutional support, accelerated investments in agriculture, enhancing the competitiveness of agro-exports, creation of additional irrigation facilities etc. have been given encouragement through various schemes and activities of the Government of India. A wide range of approaches have been employed to address problems of land degradation, some of which include :-

• Prevention of soil loss from the catchments
• Promotion of multi-disciplinary integrated approach to catchment treatment.
• Improvement of land capability and moisture regime in the watersheds.
• Promotion of land use to match land capability
• Reduction of run-off from the catchments to reduce peak flow into the river system.
• Upgrading of skills in the planning and execution of watershed development programme.
• Increase of productivity of land affected by alkalinity for increasing sustainable agriculture
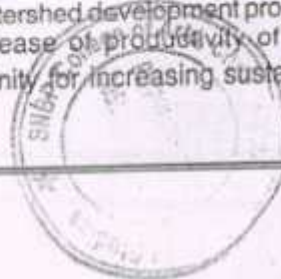
production.

+ Identification of critical degraded areas,
• Generation of data on land suitability and capability for regulating land use.
• Preparation of soil resource map and inventory of soil and land resources.
+ Development of technical skills in soil and water conservation

National Environment Awareness Campaign (NEAC)

The Ministry of Environment & Forests has been conducting a country-wide National Environment Awareness Campaign (NEAC) every year since 1986 with the objective of creating environmental awareness among each and every citizen of the country. Fourteen such campaigns have so far been held, with the participation of NGOs & Community Groups, Youth & Women Organisations, Schools, Colleges & other Educational Institutions, Army Units and professional Groups.

Mass Awareness Campaign

Besides the NEAC described above another new programme "Mass Awareness Campaign" is also being launched with the objective of spreading wide awareness about environmental issues and sensitizing people, institutions and industry to the necessity of preserving a good environment. To begin with, five themes have been identified with the view to launching focused campaigns.

These themes include: Clean Air, Clean Water, Bio-diversity, Conservation, Management of Wastes

Eco-Clubs

Since the youth of today are the citizens of tomorrow, a special programme for creating awareness specifically among school students, is also being implemented by the government. Known as the Eco clubs programme, the main objectives of this programme are to educate children about their immediate environment and impart knowledge about the eco-systems, their inter-dependence and their need for survival, through visits and demonstrations and to mobilize

youngsters by instilling in them the spirit of scientific inquiry into environmental problems and involving them in the efforts of environmental preservation.

National Green Army

The Eco-Clubs programme is being intensified and expanded with a view to covering the entire country. It is proposed to raise a 'National Green Army' through the Eco clubs with the objective of spreading environmental awareness and to motivate school children to carry out action based programmes for protection and improvement of environment. Under this programme, it is proposed to set up about 50,000 Eco clubs all over the country. The members of these Eco-clubs would organize and conduct a series of activities on specific environmental themes that are of local relevance and importance.

Challenges

It is estimated that about an average 16.75 to/ha/year of soil are lost through erosion every year in India i.e. more than 5,000 million tons of topsoil is eroded annually. A close look at the present health of the soil and water resources reveals their wanton misuse and degraded environment. Almost 173.64 m. ha. covering slightly half of the country, are threatened by various types of degradation such as salinity, alkalinity, water logged areas, ravinous and gullied lands, areas under ravages of shifting cultivation, desertification, etc. About 800 hectares of arable land are being lost annually due to ingress of ravines. There are specific problems of land degradation due to open cast mining operations using good productive land for brick kilns coastal erosion and seawater ingress, excessive erosion and land slides in the crumbling hill areas. Our forests and grasslands have been over exploited. Frequent occurrences of floods and droughts in different parts of the country are evidence of improper land use in the catchments and inadequate conservation of rainwater. The problem of land degradation has brought us face to face with the ever increasing depletion of the productivity and the basic land stock through

How can we conserve natural resources?

Natural resources are naturally occurring substances that are considered valuable in their relatively unmodified (natural) form. A natural resource's value rests in the amount of the material available and the demand for it. The latter is determined by its usefulness to production. A commodity is generally considered a natural resource when the primary activities associated with it are extraction and purification, as opposed to creation. Thus, mining, petroleum extraction, fishing, hunting, and forestry are generally considered natural-resource industries, while agriculture is not. Natural resources are mostly classified into renewable and non-renewable resources. Renewable resources are generally living resources (fish, reindeer, coffee, and forests, for example), which can restock (renew) themselves if they are not over-harvested but used sustainably. Once renewable resources are consumed at a rate that exceeds their natural rate of replacement, the standing stock (see renewable energy) will diminish and eventually run out. The rate of sustainable use of a renewable resource is determined by the replacement rate and amount of standing stock of that particular resource. Non-living renewable natural resources include soil and water.

Flow renewable resources are very much like renewable resources, only they do not need regeneration, unlike renewable resources. Flow renewable resources include wind, tides and solar radiation. Resources can also be classified on the basis of their origin as biotic and abiotic. Biotic resources are derived from living organisms. Abiotic resources are derived from the non-living world (e.g., land, water, and air). Mineral and power resources are also abiotic resources some of which are derived from nature.

Both extraction of the basic resource and refining it into a purer, directly usable form, (e.g.,

nutrient deficiencies on the one hand and the ever growing demand for food, fodder, fiber, fuel, land based industrial raw materials and may non-farm land uses on the other hand.

metals, refined oils) are generally considered natural-resource activities, even though the latter may not necessarily occur near the former. Natural resources are natural capital converted to commodity inputs to infrastructural capital processes. They include soil, timber, oil, minerals, and other goods taken more or less from the Earth.

A nation's natural resources often determine its wealth and status in the world economic system, by determining its political influence in. Developed nations are those which are less dependent on natural resources for wealth, due to their greater reliance on infrastructural capital for production. However, some see a resource curse whereby easily obtainable natural resources could actually hurt the prospects of a national economy by fostering political corruption. In recent years, the depletion of natural capital and attempts to move to sustainable development has been a major focus of development agencies.

This is of particular concern in rainforest regions, which hold most of the Earth's natural biodiversity - irreplaceable genetic natural capital. Conservation of natural resources is the major focus of natural capitalism, environmentalism, the ecology movement, and Green Parties. Some view this depletion as a major source of social unrest and conflicts in developing nations.

Some non-renewable resources can be renewable but take an extremely long time to renew. Fossil fuels, for example, take millions of years to form and so are not practically considered 'renewable'. Sustainable forest management (SFM) is the management of forests according to the principles of sustainable development. It is also the current culmination in a progression of basic forest management concepts preceded by Sustainable forestry and sustainable yield forestry before that. Sustainable forest management is the term currently used to describe approaches to forest management that set very broad social, economic and environmental goals. A range of forestry institutions now practice various forms of sustainable forest management and a broad range of methods and tools are available that have been

tested over time.

The Forest Principles adopted at The United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992 captured the general international understanding of sustainable forest management at that time. A number of sets of criteria and indicators have since been developed to evaluate the achievement of SFM at both the country and management unit level. These were all attempts to codify and provide for independent assessment of the degree to which the broader objectives of sustainable forest management are being achieved inpractice.

Natural resources that qualify as renewable resources include oxygen, fresh water, timber, and biomass. However they can become non-renewable resources if used at a rate greater than the environment's capacity to replenish them. For example, groundwater may be removed from an aquifer at a rate greater than the sustainable recharge. Removal of water from the pore spaces may cause permanent compaction (subsidence) that cannot be reversed. Renewable resources may also include commodities such as wood, paper, and leather. Furthermore alcohol is also a renewable source of energy, similarly, oils from plants and seeds can used as even as a substitute for non-renewable diesel, last but not least methane is also considered as a renewable source of energy. Gasoline, coal, natural gas, diesel and other commodities derived from

fossil fuels are non-renewable. Unlike fossil fuels, a renewable resource can have a sustainable yield. Management of Natural Resources broadly, farmers have indicated three ways to protect resources by means of traditional technology. They are mechanical, agricultural and vegetative.

Conclusion

Today the whole ecosystem is imbalance. Due to this the different threats are created on the Earth. The main reason of his is human being. The human being destroyed the natural resources. He is not maintaining the balance of the natural resources. But now there is a need to protecting & conservation of natural resources to avoid the future threats. So this is the responsibility of each and every human being to use properly the natural resources and should not polluted and disturb the ecological system. If this responsibility is not understood by the human then right now he will suffer with dangers threats which he never imagines. Otherwise one day Environment will take the revenge. So this is opportunity to take care of the ecosystem and create the good future.

◆ ◆ ◆