

Rizvi Institute
of
Management Studies & Research

Management Vision

A Compendium of Papers
January 2015
Volume 6
Issue 1
ISSN: 0975-7813

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www.rizvi.edu.in

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Dear Valuable Researchers

On behalf of the management and the editorial team at Rizvi Institute of Management Studies & Research, we wish you a prosperous New Year 2015.

We have achieved yet another milestone in making 'Dimensions In Research 2015' - the annual research conference a successful platform to showcase the different facets of research across management domains. We had the privilege of having amongst us Mr. Rajiv Bagayatkar, Director - Product Specialist, The Nielsen Company as the Key Note Speaker.

Dimensions in Research 2015 witnessed a diverse mix of research papers from Research Scholars, Academicians, Management Consultants and Professionals from the corporate world. We profusely thank each one of our researchers, whose papers, have enriched the domain of management. All research papers have been compiled in our Bi-Annual Research Journal: 'Management Vision'.

We also extend our gratitude to our panelists, whose unconditional support has provided our participants with a richer and deeper research experience. The conference was concluded with the Valedictory Function chaired by Dr. Sreejith Narayanan, AVP – IL&FS as the Chief Guest.

We continue to seek your support to give research a new meaning, a new dimension. So keep writing to us.

Wish you a successful New Year.

Dr. Kalim Khan

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Understanding the Role of Public Relations in Creating Awareness about Insurance Products to Retail Customers

Anjali Talreja¹

Abstract

India has demonstrated strong improvement in life insurance penetration and density in the last 10 years. However, India largely remains an under-penetrated market. The total penetration in India is 4.5 % of the total population. The market today is primarily dependent on push for tax incentives and mandatory buying for sales. There is very little customer pull, which will only come from growing financial awareness and increasing savings and disposable income. The need for life insurance is still not considered priority by Indians. This is where life insurance companies are struggling. This paper attempts to understand how an Indian Life Insurance company can leverage Public Relation tools to raise awareness levels about the importance of Life Insurance.

Key Words: *Life Insurance, Penetration, Customer Awareness, Public Relations*

1.0 Introduction

The Indian insurance sector has 52 insurance companies, of which 28 are in non-life insurance business and 24 in life insurance. India's life insurance sector is the biggest in the world with about 36 crore policies and is expected to increase at a compound annual growth rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020, and could top the US\$ 1 trillion mark in the next seven years.

However, Life Insurance in India is currently grappling with growing the business and making profits. The gestation period of life insurance business is approximately 10 years India, therefore making the business capital intensive in nature.

Currently, life insurance companies are creating a strong customer connect through various marketing options such as advertising, Below the Line activities, Social Media, Public Relations and more. This accounts for a huge investment and thus there is pressure for insurance firms to reap the return on the investments.

This paper presents a case study on how a life insurance company leveraged public relations to increase the awareness levels for life insurance policies.

Public Relations and its role

Public relations (PR) is the way organisations, companies and individuals communicate with the public and media. A PR specialist communicates with the target audience directly or indirectly through media with an aim to create and maintain a positive image and create a strong relationship with the audience.

The role of PR has now widened to and is not restricted to media only. There are several ways to meet the goals of a firm through several creative tools such as online properties, direct connect platforms and more.

2.0 Research Objectives

The objective of this study is to:

- To understand how Public Relations platforms and tools help a Life Insurance to create awareness amongst its potential customers.

3.0 Research Methodology

- This study is based on a real life case study on the role of PR in creating awareness for Life Insurance products and services
- The current landscape of Life Insurance and the role of PR have been attributed to the internet, books and magazines

4.0 Limitations

- The study is based on a Life Insurance firm only
- The PR tools and platforms analyzed in this case study have been customized and implemented for the Life Insurance company only

5.0 Case Study 1

Life Insurance Firm: XX

The life insurance firm XX was struggling with sales of policies due to lack of awareness from retail consumers. The firm engaged a PR agency to connect with retail customers with the objective of creating awareness about the importance of life insurance and medi-claim policies. The company's mandate was to create PR opportunities such that customers are engaged over a period of time and is not merely a one-off activity. The customers were not clearly defined, therefore the focus was to create a mass connect with retail customers in the following cities:

- Mumbai
- Ahmadabad
- Delhi

Reaching out through PR:

The PR agency framed a multi-connect framework to engage customers through PR tools and platforms.

Phase 1: Creating a strong media base

In the first phase, the PR agency mapped out media opportunities such that there is a direct - connect with the readers. The mapping was done such personal finance columns were tapped across English, Marathi, Hindi and Gujarati papers. The media mapping was as under:

English Financials	Marathi Dailies	Hindi Dailies	Business Magazines
Economic Times	Lokmat	Navbharat Times	Business Today
Financial Express	Loksatta	Amar Ujala	Business India
Business Standard	Sakal	Dainik Jagran	India Today
Hindu Business Line	Maharashtra Times	Dainik Bhaskar	Business World
Mint			

Table 1: List of Media

The articles in the above papers were covered in the form of:

- **Authored articles:** Emphasizing on the importance of life insurance and medi-claim
- **Quotes and Opportunities:** Feature stories focusing on the industry framework, regulatory changes and trends in the life insurance sector. The underlying message always focusing on the advantages of life insurance

- **Regional Focus:** In the regional papers, the focus was on easy reading articles on the nuances of life insurance benefits, savings and a tool for tax saving as well.
- **Weekly Question & Answer Sections:** A column was sourced where readers can write in their queries which are answered by the Life Insurance Spokesperson. This weekly column simplifies complexities / myths of life insurance products and services
- **Business Magazines:** Here the agenda was to highlight how policies are framed and the role of the regulatory bodies in making life insurance products customer-centric and a long term saving tool. The agenda was also to highlight the role of life insurance companies in adding to the GDP growth of India.

Phase II: The Insurance – Media Education Drive

The PR agency realized that engaging media on a continuous basis was very important in order to keep the coverage flowing. However, the agency realized that the conceptual understanding of insurance was weak with most junior and mid-level journalists. In fact, even at the senior editorial level, there was a clear disconnect, especially when there were regulatory updates/amendments. The agency thus created a platform through an interactive learning session which was divided into 2 parts:

- **Online:** In the online platform, a website was created to simplify insurance for media. The website was created such that the content was easy to follow and was jargon – free. An interactive section was created to keep media engaged through online – chats with senior management (from the Insurance firm) at a fixed time weekly. This helped in keeping the media engaged based on their needs.
- **Offline:** An education drive was created on a monthly basis across the target cities. In this case, the senior management over a weekend once a month would hold thematic workshop covering different facets of insurance. This one on one interactive session proved to be a helpful for journalists to write better stories with a deeper understanding of insurance and its nuances.

Phase III: Awareness for the Young:

The PR agency created an opportunity to connect with young minds. Child Plans was part of the Life Insurance firm’s product portfolio. A plan was devised to capture the minds of the young in the form of the brand awareness and then indirectly connect with the parents. The plan was as follows:

Book Reading Session

A fun – filled intellectually stimulating book reading event was created. Books are the best way to connect with the young. A book reading session was created with the help of a barter tie-up with a leading children’s publisher. Noted authors were invited to select schools to hold a book reading session. Free books were given with a note on insurance to be shared with the parents along with a contest on essay. The form was then duly filled by the parents. The essay was to be submitted to the school authorities and the insurance firm was award the best writer with a gift hamper. The book reading session and essay writing was carried out annually in the select school.

The objective was to:

- Create the brand’s imprint in the minds of the young
- Get a live database of parents of young children who can be prospective buyers in order to pitch for Child Plans

Phase IV: Creating awareness for Medi-Claim Products

Medi-claim products are those that cover a set of illnesses of a person who pays a pre-defined premium. This is very beneficial in terms of critical illnesses and even accidents. Health related costs in India is on the rise, and yet, awareness is very low. Therefore to instill the need for such a product the following plan was implemented:

Walkathon: A Fitness Drive

A 15 km Walkathon was planned in the target cities. A structured media planning advertising plan was implemented to invite walkers to be parts of the walkathon. The plan was to make people realize that being healthy is a gift of life. At the end of the walkathon, a panel of doctors invited young and the old to share their experiences of how they are fit.

Towards the end of the event, the doctor highlighted the importance of a medi-claim taking into account the rising costs of health care in India.

The Walkathon was repeated annually across the target cities.

The PR plan was aligned to the needs of the Insurance firm. Efforts focused on engaging the retail customer such that different platforms were leveraged on a continuous basis. This helped the firm to target potential customers. The above activity took place over a period of three years.

Significance & Conclusion:

The case study based on leveraging PR such that there is a level of awareness created for the Life Insurance firm. PR proved to be engaging and interactive thereby minimizing bottleneck and ensuring an easy flow of information such that the business objective is met. A cost effective method was adopted through PR successfully. The firm not only connected with potential customers but could not keep them engaged year after year and at the same time adding new prospective customers. Both, media and non-media platforms were well optimized as the firm's sales team was now equipped with a database of customers that were live and proved to be good base to start the sales process as there was potential of purchase.

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Understanding Productivity Improvement Using Simulation in Sheet Metal Components Production

Aijaz Jafriⁱⁱ

Abstract

Customer's requirement of shortest lead time and fast changing product design has forced the Indian manufacturer to turn to technology. If a company is not productive and not keeping pace with the dynamic market requirement, it will not only be inefficient but also obsolete in no time. There is a need for user friendly technology that promises quick results and whose implementation doesn't disrupt the current system. A technology that will aid the different departments of a manufacturing unit in getting productive, and that magic wand, is simulation. Simulation software aids in product design, tool design, process design, inventory management, facility layout, material handling, human and capital resource utilization and allocation, logistic and ware house planning. Simulation has capabilities to do multiple scenarios testing without actually disturbing the real system. This article highlights different simulation application areas like strip layout or nesting, formability problem solving, process design, value analysis, preventive maintenance, day to day shop floor activities in a sheet metal components manufacturing company.

Key Words: *Simulation, Productivity, Technology, Process Design*

1.0 Introduction

Jerry Banks defines simulation as “An imitation of the operation of a real world process or a system over time. Whether done by hand or on a computer, simulation involves the generation of an artificial history of a system and the observation of that artificial history to draw inferences concerning the operation characteristics of the real system” (1)

Any real system or a product idea or an existing product can be modeled for either understanding its complexity or evaluating various outcomes by experimenting “what –if “scenarios.

There are wide range of simulation software that are available and can be used for product modeling and system modeling. These propriety software are not rocket science, doesn't require super computers and can be easily modeled by engineers and managers.

Sheet metal components are generally stainless steel or aluminum parts undergoing production processes like blanking, piercing, notching, drawing, forming, embossing, bending, etc. in a machine called as a press. Part thickness, material, size, shape, production process, etc are the determinants of the press tonnage or press machine capability. Sheet metal components find their application in many industries ranging from electrical and electronics to automobiles and beyond. A simple bearing cover to the whole car body will fall under the gamut of sheet metal components.

Simulation has become a necessary tool in sheet metal industry. With the aid of the simulation software, companies can design, manufacture and deliver high quality and low cost product in the shortest lead time. Simulation finds its application at various stages i.e. initial product design, strip layout or nesting design, product engineering, process engineering, line balancing, facilities planning, material handling, preventive maintenance, manufacturing, man -power planning, warehousing, shipping and logistics. Engineers and managers can incorporate this software in their decision making with the aim of delivering the high quality product efficiently and timely to customer at the lowest cost without disturbing the existing system.

2.0 Research Objective

- To understand the application of simulation and its effect on productivity in the sheet metal component industry by studying various scenarios and their impact on the manufacturing sector specifically sheet metal stamping.

3.0 Research Methodology

- Various simulation models implementation were studied through secondary data: Internet, Periodicals and books.
- Various online case studies were analyzed to compare the impact of pre and post simulation and the results.

4.0 Scope and Limitation of the study

- The study is based only on the secondary source of data and it includes all the limitation of secondary source data and most of it cannot be verified.
- While simulation can be applied in various type manufacturing industry as well as in service industry, the article scope is confined to only sheet metal manufacturing

5.0 Understanding the different applications of simulation in manufacturing

This paper will discuss the various applications of simulation and will also explain the benefits. This is as follows:

- **Understanding the process of simulation in efficient strip layout from the coil**

Consider a sheet metal components manufacturing company intending to provide quotation of a new component to its customer. Also, company is under pressure to quote it within an hour and since it will be requiring components to be cut from a coil of stainless steel, the pricing needs to be as accurate as possible.

By using simulation software, the formed component will be flattened out to get the initial blank shape. Also, nesting or blank layout, by arranging blanks on the strip as efficiently as possible to maximize material utilization can be achieved instantly. Thus ultimately the blank size, strip size and width of the coil can be achieved in just few seconds.

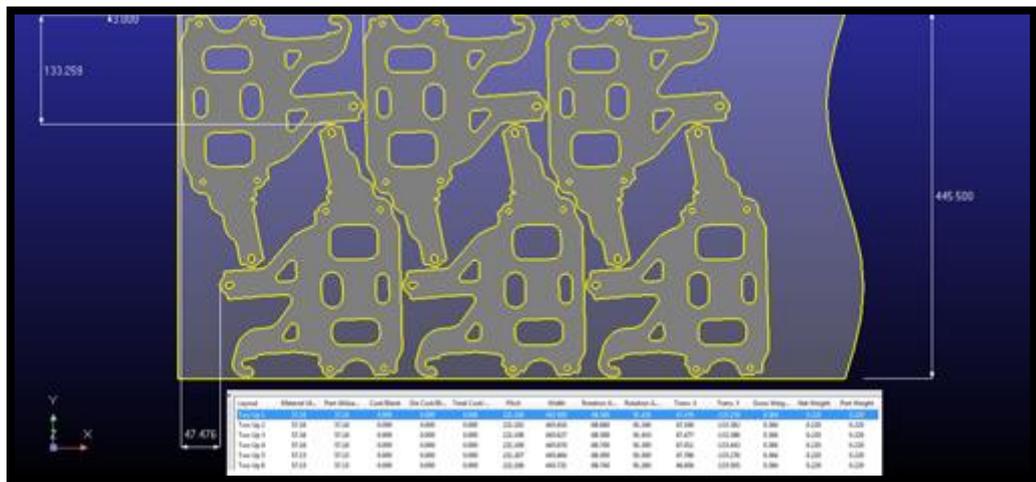


Figure 0-1 : Screenshot of a simple blank nesting for better material utilization on a strip

- **Simulation in tool design and formability problem solving**

Consider that same company is in dilemma with quality problems of spring back action, thinning, surface defects, wrinkling, tearing, etc during forming operation. Traditional approach entailed cumbersome trial and error on the die setting i.e. clearance variation, die and punch re-sizing, press force adjustment, press setting etc. If luck favored, the solution could be achieved in 3-4 hrs or else it would take a day. Though simulation doesn't replace shop floor experience of die setting, it collaborates and compliments tool room engineers and together with software simulation, the tooling can be designed in minutes so that set up time can be drastically reduced.

Simulation answers many questions like, Are my die setting clearances correct? Do I have to resize my dies and punches? Does my current tooling eliminate stress build up and minimize spring back effect?

- **Simulation in process engineering:**

Simulation helps to answer questions like, Can I make this part in one drawing operation or two draw operations are needed to avoid tearing and other quality defect?

A company, Die Engineering, USA was successful in quoting its customer within 24 hours with accurate predictability of drawing its component in just one draw with the help of simulation. Later, stress data and other parameters were fed into the simulation and software was run. The result was that the part got split. Necessary corrections were made with regards to blank size and software was successfully re-run. They tried the same setting on the actual die and they were able to get the first sample part without any quality defect in just one tryout.

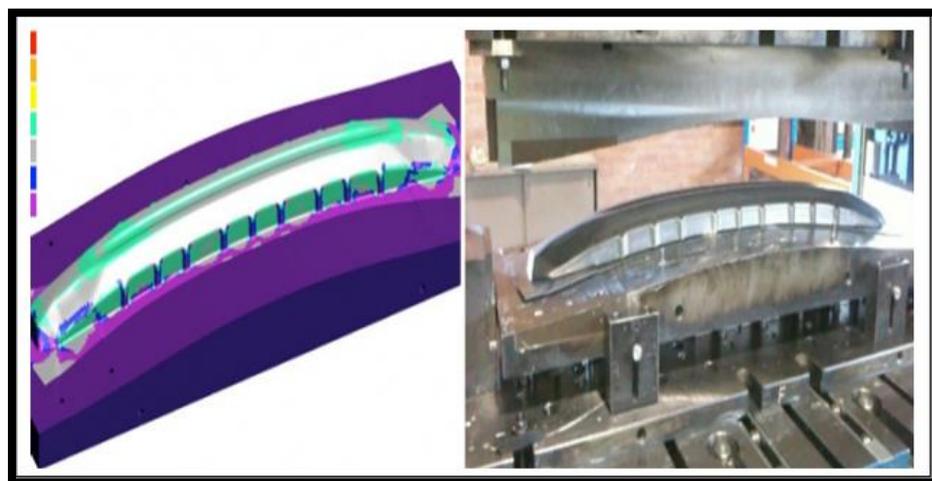


Figure 0-2 :



Figure 0-3 : Images showing simulation form limits, formed parts and formed part in tools: Courtesy Die Engineering, USA (4)

- Simulation in value analysis and value engineering: with simulation, we can get answers to questions like, Can I decrease the material thickness to save up on cost but at the same time not compromise on quality? Also, does increasing the thickness eliminate part tearing?

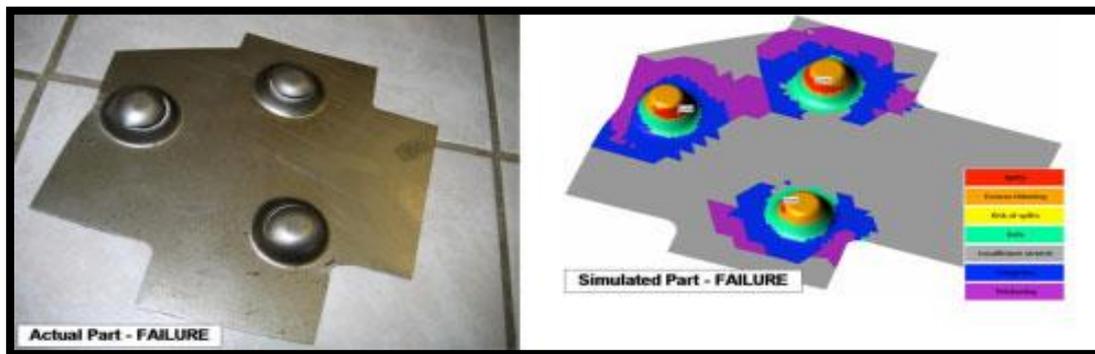


Figure 0-4 : Failure due to tearing as suggested by the simulation software

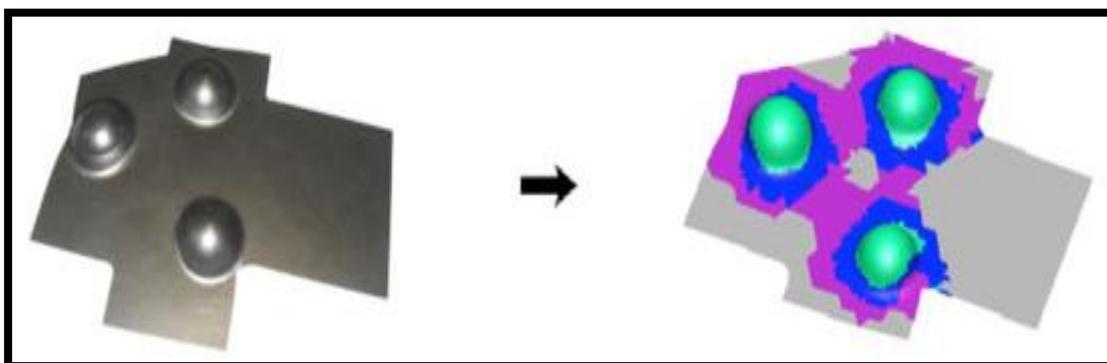


Figure 0-5 : After correcting modeling parameters in simulation software, perfect forming zones with no tearing defects are obtained as shown above.

Different colors on the images denote different level of stress buildup with regards to the material behavior at different points on the part. Simulating varying parameters like press force, clearance, forming force, etc. gives varying safe zones and danger zones suggesting achievable quality level or defect.

- **Simulation of day to day shop floor operation**

Discrete event simulation can be used for mapping entire factory to identify bottlenecks in the system. Start from the incoming raw material to the loading dock, a manager can modeled the entire production process in software (DES) different than the simulation software described earlier (TOOL DESIGN).

DES simulation software is used for modeling any discrete sequence of events independent of time, e.g., material movement, WIP movement, operator movement etc.

By feeding in data from time study and work sampling, simulation software can mimic entire 24 hrs shift and can be run for a whole week or more. On completion, statistical result can be analyzed and conclusion regarding the system parameters can be deduced.

By doing “What if “analysis, shop floor manager can get accurate results on many critical aspects of system optimization.

For e.g. how many presses are actually required for current capacity? Which shop floor layout is efficient? Can we incorporate Lean/JIT in our setup? Can our current setup accommodate increase in demand? Can we introduce newer component without adding new press? How many shifts are needed? What will be the percentage utilization of machines, material handling equipments and operators? Do we need to add up more operators? Do we have enough forklifts? What will be throughput to avoid stock out at each station? Do we need to expand our manufacturing? Etc

Consider a case of a MNC, global leader in fluid management and flow control, wanted to make sure before opening a new plant in a new market, that the current facility in US is utilizing best practices. After simulation study and software run, and later implementing lean lessons, they were able to achieve 80% reduction of second shift and saved \$ 200,000 annually in the new and \$400,000 for the existing facility. Simulation’s what-if scenarios enabled them to run each of seven scenarios as virtual kaizen in only five minutes. (7)

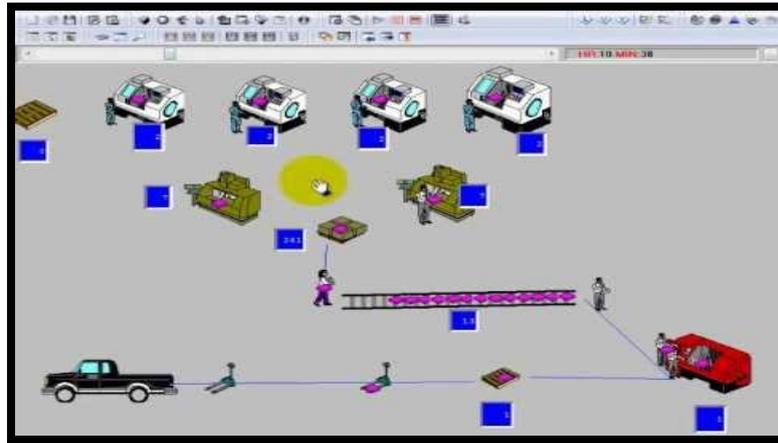


Figure 0-6 : Promodel simulation software mimicking a shop floor operation

- **Simulation in preventive maintenance**

A study was conducted with the aim to determine the effectiveness of a preventive maintenance schedule for the Slush Molding Department for Johnson Controls Inc. USA. This department had 18 machines that produce the molded side doors components.

Average machine repair time was six hours and all the machines run three shifts with no breaks, seven days a week. From the data, a planned maintenance time for a single machine was 24 hour and this was the main reason as to why there was no planned maintenance for this department.

A planned maintenance schedule for each machine was created for this department using ProModel a simulation model. Six months of historical data regarding machine failure rates, outputs, productivity, downtimes, repair times, worker breaks, shift times, etc. was used. The model was run for a period of 12 months and results were obtained on the productivity and output for each machines for two scenarios, with and without a planned preventive maintenance schedule.

It was later proved using statistical analysis that machine output increases with preventive maintenance in place compared to no planned maintenance. Also, the machine failure rates and the repair times were on machines. This led to increased output and higher productivity for the entire department. (9)

- **Other areas of simulation application**

Inventory management along the entire supply chain with total inventory cost determination and minimization, customer service levels through call center simulation, human resource application through employee recruiting and training, etc

6.0 Limitation of Simulation

- Simulation can be time consuming to model complex system and requires trained staff which add to the cost of manufacturing
- Might be expensive to Small and Medium Enterprise (SME) initially and may require awareness and change management
- Result analysis requires statistical knowledge and might be little difficult to interpret

7.0 Conclusion: Future of Simulation

In India, simulation has been accepted and used in most large manufacturing companies, namely, Godrej, L& T, etc. It is, however, yet to be accepted and used more extensively in small and medium enterprises. By aggressive awareness and training sessions, companies can really incorporate simulation in their decision making and increase their productivity manifold. Simulation studies should be also be incorporated as course in engineering and management colleges

In coming years, trend will be, many SMEs incorporating simulation or hiring business consulting firms for simulation analysis extensively.

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A Portfolio Optimisation Model in MS-Excel

Jamil Saudagarⁱⁱⁱ

Abstract

In a given set of assets (portfolio), investors are always grappling with getting the best possible return from the available pool of assets subject to the asset(s) meeting their risk appetite and meeting other considerations like liquidity needs, time horizon etc. Also, a portfolio manager might be interested in knowing the possible return available for every level of risk or vice versa or he / she might want to for a given set of assets in a portfolio what is the most efficient combination of assets ?. This model seeks to answer these questions. Besides this, one key expectation from all portfolio managers is to meet the investors risk and return objectives. The expectations can be met only if the asset weights in the portfolio are an optimized combination.

This paper demonstrates the creation of an optimized portfolio by way of an MS Excel model.

Key Words: *Portfolio, Portfolio Optimization, Modern Portfolio Theory*

1.0 Introduction

Two key investment attributes- among many- are return and risk. While investors have high return - low risk expectations, in reality it is difficult to find such investments. Also, returns within assets are not always perfectly positively correlated. Therefore, if investments are made in assets which are not perfectly positively correlated, the risk is spread out.

This understanding is the central idea in Modern Portfolio Theory which was developed in the 1950's by Prof. Harry Markowitz and published under the title "Portfolio Selection" in the Journal of Finance. (Markowitz, 1952)

"THE PROCESS OF SELECTING a portfolio may be divided into two stages. The first stage starts with observation and experience and ends with beliefs about the future performances of available securities. The second stage starts with the relevant beliefs about future performances and ends with the choice of portfolio."

To begin with, investors and investment managers will analyse and research the future performances and risk of the available securities. Of the available lot, investing in only one security with the highest return carries a higher exposure to risk, because if the investment does not meet the expected return the entire investment is at stake. Therefore, it is wiser to invest in

securities which are not perfectly correlated to each other, because a downturn in one security will not necessarily mean downturn in the others and thus the risk is spread out. Furthermore, inclusion of each of the securities to the portfolio will impact the behavior of the portfolio as a whole because each security might correlate with other securities differently (ranging from -1 to +1).

Thus, if more than one security is included in the portfolio, correlation between the securities in the portfolio becomes important. Also, since portfolio return is the weighted average return of all the securities in the portfolio, one combination amongst the many possibilities will provide with the most efficient (optimised) combination. The MS Excel model showcases the generation of an optimized portfolio combination.

2.0 Objectives

The objective of this paper is to demonstrate the technique of selecting the optimum portfolio from a given set of assets with varied returns and risks. This is demonstrated through creating an MS Excel model.

3.0 Research Methodology

The research is based on understanding the concept of Modern Portfolio Theory as well as its application to real world investment environment wherein, investors are always looking for maximum returns as per their risk appetite. The tool generates combinations of asset weightages using the concept of Cartesian product. The stock price data has been downloaded from Yahoo Finance.

4.0 Scope and Limitations of the Study

- Equity stocks which are part of the 'NIFTY50' index have been considered (Hence all risky assets.).
- A portfolio (in the model) cannot include more than 10 securities. This, however, does not mean that MS Excel cannot support more securities, the limit is meant to restrict the processing time.
- Though the portfolio construction process includes variables like time horizon, liquidity needs etc. These variables have not been built into the model. The model restricts itself to only two attributes namely, risk and returns.

- Asset returns for each security is done using 5 year historical data (except for Coal India where a 3 year time period is used). Forecasted data has not been used.
- Price Data for 01/04/2012 not available, hence data for 02/04/2012 used.
- Though there are various ratios available to find the optimized portfolio, this model uses the Sharpe ratio to find out the most efficient portfolio because the Sharpe ratio makes comparison between portfolios easier as it computes the return per unit of total risk.
- All assumptions under the original theory (Modern Portfolio Theory) hold true.
- Though, asset weight in a portfolio can range from 0 to 100 percent, for purposes of demonstration, it is assumed that portfolio weight can either be a zero or multiples of 10 ranging between 10 and 100 percent.

5.0 Research Process

A step by step process to create a model in MS Excel is shown below:

Model Construction

There are 4 sheets in the file. The first sheet ('Parameter') is used to select securities which should be included in the portfolio. The second sheet ('Risk_Return_Profile') holds the return (a 5 year CAGR) and the risk (a standard deviation of returns). The third sheet ('Covariance') holds the covariance for each securities pair. Finally, the last sheet ('Data') will hold possible combinations of the selected securities along with the portfolio return, portfolio risk and the Sharpe ratio.

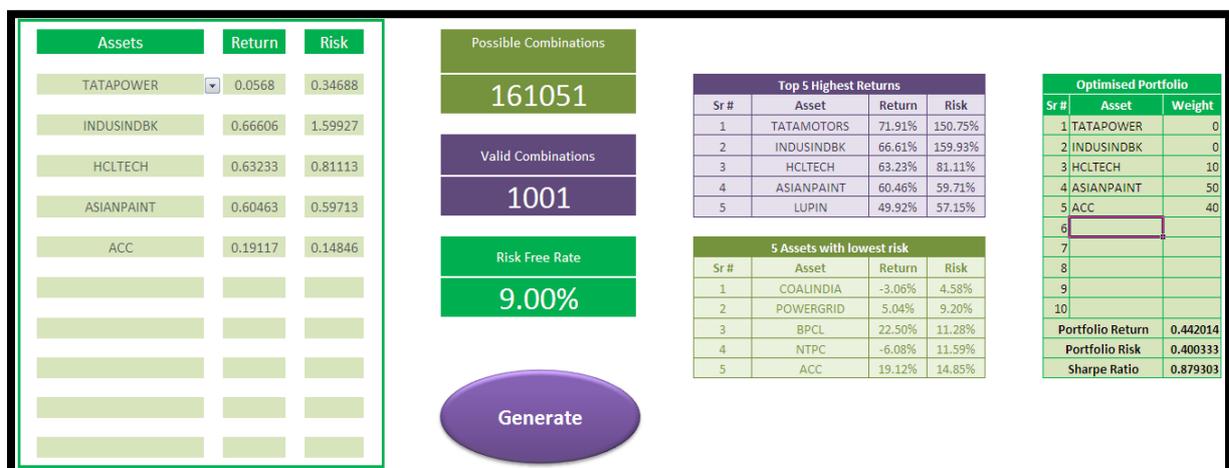


Figure 1 - The 'Parameter' Sheet

Layout of the ‘Parameter’ sheet

Cells C2 to I24 contain a table where the assets to include in a portfolio can be selected. In this region, only cells D5, D7, D9, D11, D13, D15, D17, D19, D21, D23 are editable and can be selected. Columns ‘F’ and Columns ‘H’ display the return and risk associated with the security.

The ‘Possible Combinations’ basically is the number of combinations that are possible, given the selected assets. Since every asset can have eleven possibilities (0 and multiples of 10 from 10 to 100), possible combinations will be 11^n where ‘n’ is the count of selected assets. For example, if there are 3 assets selected the possible combinations will be $11 \times 11 \times 11 = 1331$ combinations. Out of these combinations, most combinations would not be valid combinations. For three assets, a combination of 100,100,100 would be invalid because each element in the combination denotes the weightage of that asset in the portfolio and the sum of the asset weightage cannot be more than 100. ‘Valid Combinations’ represent the possible combinations that are valid (i.e. which result in the sum total of assets being 100).

‘Risk Free Rate’ is an editable field and the value can be entered in % terms. This value is used to calculate the Sharpe ratio for a portfolio combination in the ‘Data’ sheet.

The ‘Top 5 Highest Returns’ table lists out the securities with their returns while the ‘5 Assets with lowest risk’ list out the assets with the lowest risk.

Clicking on the “Generate” button will start writing out combinations to the data sheet and then generating the portfolio return, portfolio risk and the Sharpe ratio for the combination. Finally, the ‘Optimised Portfolio’ table lists out the efficient portfolio across all possible combinations. The ‘Optimised Portfolio’ looks at the Sharpe ratio of each combination to arrive at the most efficient (optimised) portfolio.

The Calculation Process

- Once the assets have been selected and the “Generate” button clicked, the calculation process kicks in (data is written to the ‘Data’ sheet).
- Depending on the number of assets included in the portfolio, the number of columns being used will change dynamically (as shown below in Figure 26)

Sr No	TATAPOWER	INDUSINDBK	HCLTECH	ASIANPAINT	ACC	Portfolio Return	Portfolio Risk	Sharpe Ratio
43	0	0	40	40	20	0.533015363	0.535889771	0.826691208
44	0	0	40	50	10	0.574360772	0.579084543	0.836424971
45	0	0	40	60	0	0.615706182	0.623513349	0.843135408
46	0	0	50	0	50	0.4117492	0.453243851	0.709881002

Figure 2 : The ‘Data’ Sheet

- In the above example, 5 securities have been used so they occupy columns ‘B’ to ‘F’, the first one being the serial number. The next column is the portfolio return column. Portfolio Return is generated using the following formula : $w_a * r_a + w_b * r_b + \dots w_n * r_n$ where w_a is the asset ‘a’ weight, w_b is the asset ‘b’ weight and w_n is the asset ‘n’ weight while ‘r’ is the respective return of the assets.
- The portfolio return column is followed by the portfolio risk column. Portfolio risk is calculated using the following formula :

$$\sigma_p = \sqrt{w_1^2 \sigma_1^2 + w_2^2 \sigma_2^2 + 2 w_1 w_2 Cov_{1,2}}$$

Equation 1 : The Portfolio Risk Calculation for 2 assets

When the securities keep increasing, the portfolio risk will also include the standard deviation of the new security multiplied by its weight in the portfolio plus its covariance with every other security in the portfolio.

- Finally, the Sharpe ratio is created for the portfolio combination in the next column.

$$S = \left(\frac{R_p - R_f}{\sigma_p} \right)$$

Equation 2 : The Sharpe Ratio

- Once the process is completed, the ‘Optimised Portfolio’ table in the ‘Parameter’ sheet is updated with the most optimised portfolio (see figure 27 below).

6.0 Interpretation and Conclusion

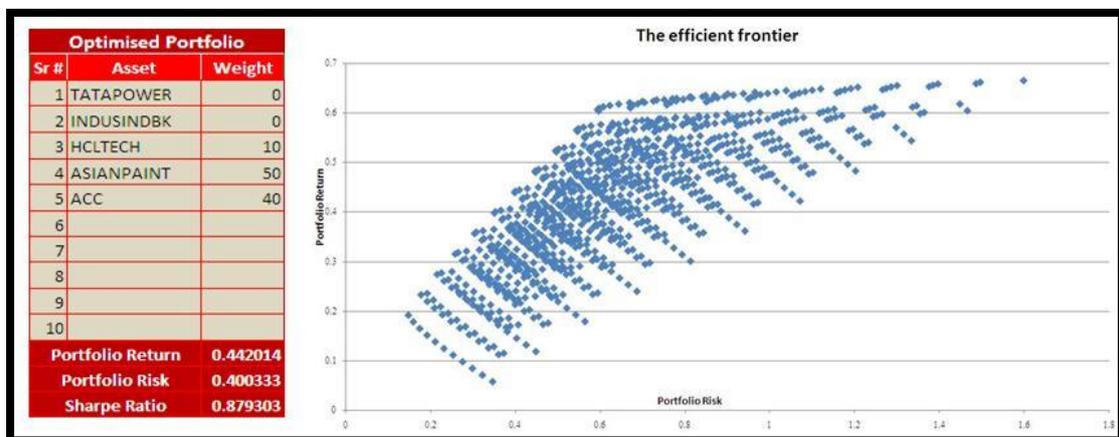


Figure 3 : The optimized portfolio with the efficient frontier

The above figure (Figure 27) has two parts. The right hand table and a scatter plot displaying the possible combinations for assets included in the portfolio. The table displays the best possible combination (optimised) given the selected assets in the portfolio. The portfolio was constructed using 5 securities namely; TATA Power, IndusInd Bank, HCL Technologies, Asian Paints and ACC. The optimized portfolio will consist of investing 10% in HCL Technologies, 50% in Asian Paints and another 40% in ACC. This combination will provide a return of 44.20 % with a possible deviation (risk) of 40%. The Sharpe ratio (which is used to find out the most efficient / optimized portfolio) is the highest for this combination at 0.879303 units.

The scatter chart plots the risk-return possibility for each portfolio combination. The portfolio risk is plotted on the X-axis while the portfolio return is plotted on the Y- axis. For each level of risk, one possibility (a blue box) would return the highest level of return. Combining all such boxes will create an 'efficient frontier'. All combinations below this curve (efficient frontier) will be inefficient.

Thus, from the above, one can see that, given a set of securities with known return and risk, the most efficient portfolio can be determined by changing the asset weights and benefit from the less than 1 correlation existing between assets. Also, it can see that investing in a single asset might give a higher return but at the cost of a very higher risk exposure. Thus, spreading out the risk by investing in more than more asset is always a better choice.

7.0 Significance

Given the risk and return, this model will help portfolio managers simulate risk and return combinations and help them select optimized portfolios. Through this model key questions like what is the best possible return for a given level of risk or which is the most efficient portfolio given the selected assets are also answered. The risk – return profile of each asset (security) is used to answer these questions.

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A Descriptive Study of Organizational Commitment of Indian Doctors with reference to Regional Imbalances

Mrinali Tikare^{iv}

Abstract

Despite the improving health status of the Indian population, healthcare infrastructure in India has a long way to go towards achieving 100% quality, technology and superior healthcare delivery systems. To achieve these goal hospitals must have positively motivated and committed employees. Very few researches have focused on organizational commitment level and geographic location/region with variables like economic status, social and cultural aspects. The present study has attempted to analyze an organizational commitment and geographic location/region with reference to eight cities of India. The study uses stratification sampling method in which 138 doctors from 32 hospitals have responded. This study uses the well known instrument of ACN scale developed by Allen and Meyer (1997).

The result showed that there is significant difference in the affective and normative commitment level of doctors working in hospitals across the eight cities of India. However, there is no significant difference in the continuance commitment level of doctors. The reasons have been discussed subsequently. This study suggests that the HR Managers should develop HR Policies in alignment to the socioeconomic environment of geographic area to increase the commitment level of employees.

Key Words: *Doctors, India, Organizational Commitment, Geographic Location, Socioeconomic and Culture*

1.0 Introduction

Indian healthcare delivery services will have steady growth (McKinsey Report: India Healthcare 2012) and forever high demand due to medical tourism, enhanced health awareness, change in disease profile, increased income of the society, availability of health insurance services, and population growth. The expected growth in this sector will be 12% CAGR and the pressure will be exerted more on private tertiary/specialist care hospitals. The report of Marketline (2012) identified that private hospitals will offer state-of-the-art infrastructure, quality treatment from highly qualified medical professionals and cost benefits.

Though medical services form part of the service industry, it is different from other service industries in its day-to-day working characteristics and by virtue of its nature of being highly specialized services. Owing to its highly specialized nature, it has to make do with diversity of talents and expertise, and its challenges of co-ordination and co-operation of the professionals who drive the hospital to work at its optimal efficiency. Extant literature observed that doctors are operating under tremendous pressure like responsibility for life & death, legal liabilities, 24x7 need driven services, managing stressful relatives, intangible & non-evaluative outcomes, shift duties, adherence to SOPs, administrative protocols, skills in handling hi-tech machines & equipments, never ending physical efforts, and demanding work conditions including susceptibility to infections with a range of communicable diseases.

The above pressure inadvertently percolates to noticeable dissatisfaction among doctors. There are some prominent issues observed related with doctors like wage revision, challenging working conditions, inadequate protection from infections, ill treatment, over-burdening etc. These issues inevitably result in strikes, migrations of skilled personnel to greener pastures and change of job profile. All these afore-mentioned issues in isolation or collectively lead to cases of medical negligence (Times of India, 21st Sept.2013) on the part of doctors which in turn lead to payment of exorbitant amount of compensation and subsequently diminishes the brand image of the hospitals (Times of India, Mumbai, 25th Oct.2013).

As a consequence, it can be asserted that the state of medical services as it exists in India presents a picture in contrasts. On the one hand, it comes across as an industry witnessing great growth and ever increasing demands, on the other hand it faces certain unique challenges peculiar to healthcare vis-a-vis issues of doctors, and thus it becomes imperative that hospital organization should keep track on job satisfaction, motivation and organizational commitment of the doctors.

The study conducted in Turkey by Benligiray & Sonmez (2012) rightly pointed out that the degree of organizational commitment of doctors and nurses are quite low. He justified his findings by giving the following reasons – 1) inadequacy of doctors and nurses in terms of quality and quantity, 2) high workload due to insufficient number of personnel, 3) long hours of work, 4) regional imbalance and inability of the hospitals to retain their qualified personnel due to various problems. They also noted that the majority of the doctors and nurses are individuals who are ‘insensitive’ to their organizations with no or low degree of commitment. In addition, the study of Kumar S. et al. (2010) observed that the quality of a patient’s experience is directly associated with the commitment and enthusiasm of the clinical staff.

In nutshell, in any healthcare organization everything revolves around doctor's sincerity, accuracy and accountability towards delivering health and achieving the supreme objective of saving or curing patients. Therefore, doctors should have highest commitment level towards their profession as well as organization. There has been substantial research conducted on organizational commitment with reference to other industries and professions. However, very few studies have identified the organizational commitment level among the Indian doctors which is the actual requirement of the hospital management in particular and the society in general.

2.0 Literature Review

Definition of Organizational Commitment (OC)

Employee commitment towards an organization has been defined in a variety of ways including (1) an attitude or an orientation that links the identity of the person to the organization, (2) a process by which the goals of the organization and those of the individual become congruent, (3) an involvement with a particular organization, (4) the perceived rewards associated with continued participation in an organization, (5) the costs associated with leaving, and (6) normative pressures to act in a way that meets organizational goals. However, the adopted operational definition for this study is provided by Meyer and Allen (1991). According to this definition, organizational commitment is, "a psychological state that characterizes the employee's relationship with the organization, and has implications for the decision to continue membership in the organization."

Construct – Organizational Commitment

An employee's liking for an organization is termed *affective commitment* and includes identification *with* and involvement in the organization. Employees with a strong affective commitment continue in employment with the organization because they *want to do so*. *Continuance commitment* refers to an awareness of the costs associated with leaving the organization. Employees whose primary link to the organization is based on continuance commitment remain with their employer because they *need to do so*. Finally, *normative commitment* reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they *ought to remain* with the organization (Meyer & Allen, 1997).

Evolution of the concepts of Organizational Commitment

The following table represents the evolution of the concept of organizational commitment in chronological order.

Time Frame	Name of the Researcher(s)	Fundamental Contributions
1950	Simon, Smithburg & Thompson	Two Forms – 1] Commitment to the total organization 2] Commitment to the specific values of the organization
1960	Gouldner	Four Forms – 1] Cosmopolitan Integration, 2] Organizational Introjections 3] Cross-sectional Membership, 4] Political Party Responsibility
1960	Becker	Calculative Approach – Side-bet Theory
1969	Ritzer and Trice	Developed First Measure
1972-73	Alutto, Hrebiniak, & Alonso	Added some methodological modifications and added some inducement to find out reasons to leave the organization.
1974	Porter and his Associates	Developed most visible measure of Affective Commitment – 15 Items scale (Attitudinal Approach)
1982	Mowday	Confirmed that Porter’s scale has well proven psychometric properties
1982	Wiener	Added third dimension to OC as Normative Pressure
1984	Meyer and Allen	Proposed two dimensions – considering side-bet approach and attitudinal approach. They termed as Affective Commitment and Continuance Commitment.
1985-86	Reicher, O’Reilly & Chatman	Faced the basic difficulty of overlapping with Porter’s Scale.
1987	McGee and Ford	Found that Continuance Commitment scale is a two dimensional construct.
1990	Allen and Meyer	Discovered Three streams – Affective, Continuance, and Normative and defined as three components of OC and created eight item scales.
1990-91-92	Mathieu & Zajac, Cohen, Randall	Made Meta- Analysis and studied OC in relation with antecedents and work outcomes.
1997	Meyer and Allen	Accepted that OC is comprised of Attitude and Behavior and shortened the scale to six items.
2005	Wasti	Three components are seen as discernible forms.
2008	Krishnaveni R. and Ramkumar N.	Revalidation of the three-component conceptualization model of Meyer and Allen (1997) in the Indian context

Table 0-1 : Evolution of the Concept

Benefits of Organizational Commitment

Extant literature observed that advantages of ‘employees with high commitment’ like work devotion with great energy, better work performance, better adaption with change, high work satisfaction, high productivity, employee exhibit stability, employee accomplish organizational goals, accepts organizational demands, task completion, best quality production, addresses service recovery, participate in professional development, reduction in employee turnover, reduction in employee absenteeism (Steers, 1977; Porter et al., 1974; Reiches, 1985; Larkey & Morrill, 1995; Paré et al., 2001; Etzioni, 1975; Mowdays et al., 1974; Rod M. & Nicholas J. A.,2010; Randall, 1987).

3.0 Studies related to Geographic Location

It is observed that very few studies are available on relationship of geographic location/region and employees’ organizational commitment level. However, those studies regarding this topic, have dealt with international geographic differences of culture as well as socio-economic aspects.

According to Cohen A. (2003) organizational commitment seems to be cultural in nature. The majority of research, as well as the conceptual frameworks about commitment, have developed in North America where the employer, the organization, is the most important unit in the work environment.

Gelade & Dobson (2006) compared the lesser economically developed countries and developing countries with respect to commitment level of employees towards organization. In countries where incomes are low, unemployment is high, a small proportion of the population is economically active, and employment fulfils basic survival and material needs, these employees have to remain with their employers because employment opportunities are scarce and they have little choice to do otherwise. While in highly economically developed countries, individuals have greater freedom to choose the type of organization they work for and the type of work they do and, in this way, find congenial employment that fulfils their higher order needs for self-esteem, perceived competence, and so forth. This leads to greater enjoyment of organizational membership in richer countries and to stronger affective ties between employees and organizations.

Further, he explained and strived to substantiate the relationship of socio-economic aspects of country and affective, continuance commitment. Those countries with high employment levels and high rates of economic activity are associated with slightly elevated levels of affective commitment. Possibly, employees in buoyant job markets are more able to find congenial

employment and thus are able to achieve higher levels of job satisfaction, leading to the development of affective bonds with their employing organization. He predicted that more calculative forms of commitment (e.g., continuance commitment) would be observed in less economically developed nations, where employees have limited choice in the job market and may be forced to accept unfulfilling work.

According to Glazer et al. (2004) organizational commitment has been shown to take on different meanings to people from different cultures and is reflected in people's values that are culturally influenced. Hofstede's (2001) theory of national values posits four cultural dimensions, called power distance, individualism, uncertainty avoidance, and masculinity. In individualistic societies, "the ties between individuals are loose," and everyone is expected to fend for themselves and their immediate families; conversely, in collectivist societies, people are "integrated into strong cohesive in-groups which protect them in exchange for unquestioning loyalty". Hofstede (2001) anticipated that an individual in collectivist societies expresses a stronger degree of identification (affective commitment) with their organizations than those in individualistic societies. The research work of commitment conducted by Farjad & Varnous (2013) confirmed that organizational commitment is a more powerful predictor of job performance in nations scoring high on collectivism. In contrast, the results of the study conducted by Hattrup et al. (2008) suggested that despite some cross-national variation, differences in commitment across national boundaries are small and empirically unrelated to Individualistic /Collectivism.

However, Lincoln and Kalleberg (1990) theorized that differences in organizational commitment of Japanese and American workers are due to differences in organizational structures and strategies of Japanese and American firms rather than cultural differences in attitudes toward work.

Glazer et al. (2008) added one more parameter to the organizational commitment and country. He suggested that the number of years after immigration has an impact on an individual's attachment to his/her organization. Immigrant status and years living in host country are important factors to consider when assessing organizational commitment, especially in multicultural organizations composed of immigrant workers.

R.K. Srivastava (2010) observed that in an Indian city with a population of less than 80,000, there is a stronger collectivistic orientation.

The above discussion throws light upon one important dimension of the organizational commitment and geographic location/region. Economic Status, Income, Employment Opportunities, Social & Cultural Aspects, Organizational Structure & Strategies and Immigration Status are the variables which affect organizational commitment with reference to geographic location/region. All these studies have been conducted on international level but no study has been attempted on diversities of Indian states and the organizational commitment level of employees. So it raises the question, “Do different Indian cities have different organizational commitment levels?” If yes, why?

4.0 Hypotheses of the Study

In the view of above literature and question, the following Null hypotheses can be proposed:

- There is no significant difference in the mean **affective** commitment level score of doctors with reference to Indian cities.
- There is no significant difference in the mean **continuance** commitment level score of doctors with reference to Indian cities.
- There is no significant difference in the mean **normative** commitment level score of doctors with reference to Indian cities.
- There is no significant difference in the mean **total organizational commitment** level score of doctors with reference to Indian cities.

To date, no in-depth research has been conducted on Indian hospital industry with reference to doctors. Not a single study is available on diversities of geographic/regional location (four zones with eight cities) and organizational commitment.

5.0 Objectives of the Study

The paper has three main objectives, such as:

- To find out the organizational commitment level of doctors working in hospitals located in different cities of India.
- To identify the difference in the mean organizational commitment level score with reference to eight cities of India.
- To make suggestions to hospitals to build a committed workforce.

6.0 Research Process

This descriptive study is undertaken by adopting the following process -

Epistemology	Theoretical perspective	Methodology	Methods	Analysis
Objectivism	Positivism	Survey Research	<ul style="list-style-type: none">▪ Sampling▪ Questionnaire▪ Observation	Statistical analysis

Table 0-2 : Research Process

7.0 Sample Design

The universe for the study was all doctors working in either Trust Hospitals or Private Hospitals across India. The inclusion criterion was:

- Doctor – As per Medical Council of India conferred the relevant degree as ‘Doctor’.

Type of Sampling and Techniques Used In Sampling

On the basis of geographical areas, India is segmented into four Zones namely – East, West, North and South by using stratification sampling technique. Further, from each Zone, two cities were selected consisting of six tier-I cities and two tier-II cities by using stratified sampling. There are approximately 12,126 private/ (trust) hospitals in India (Cygnus Business Consulting & Research- 2010). The list of Hospitals was obtained from Internet related to selected cities. Those hospitals with more than 50 beds capacity were contacted but only 32 hospitals permitted the researcher to collect data. Thus, selection of hospital was based on disproportionate stratified sampling method. In these selected hospitals the data has been collected from Doctors by using stratified random technique. Due to privacy policy in vogue with the hospitals, name of the hospitals were not mentioned.

Data Collection

The researcher travelled across the eight cities. As hospitals are easily accessible, the need for prior appointment did not arise. The researcher visited the hospitals and approached either the HR Manager or the Medical Director or CEO and communicated the purpose of research. In the chosen eight cities, the researcher approached more than 60 hospitals. Out of 60, only 32 hospitals permitted the researcher to conduct the study in their hospitals. A total of 400 instruments were distributed among the doctors. After the completion of the survey, only 199 doctors furnished their responses, out of which only 138 instruments were included in this study. As a result, the response rate is 35%.

8.0 Description of Tools

It was decided to use a structured survey schedule because the information that needed to be obtained from doctors belongs to 32 different hospitals. The structured schedule ensures uniformity and accuracy while administering the schedule. The survey schedule has two parts. The first part covers demographic profile i.e. Zone, City, Name of Hospital, Department, Qualification, Total Professional Experience, Age, Marital Status and Monthly Salary. The second part focuses on commitment variables which comprises of affective commitment, continuance commitment, normative commitment. The schedule includes close-ended items.

Selection of Tool: Organizational Commitment

A systematic study on the development and consequences of commitment cannot begin until the construct is defined and appropriate measures are developed. Different scholars have conceptualized the OC construct differently and developed their measures accordingly. Only three measures that were considered standard, repetitively used earlier and previously tested. Out of these three measures researcher has selected Meyer and Allen's (1997) scale. The Selection of Tool with appropriate rationale is presented as follows-

Sr. No.	Measures (Standard)	Developed by	Dimensions	Selected / Not Selected	Rationale
1	Organization Commitment Questionnaire (OCQ)	Porter et al. (1974)	Loyalty, Value, Goal congruency, Willingness for Extra-effort	Not selected	Quite old Based on attitudinal dimension
2	British Organization Commitment Scale (BOCS)	Cook and Wall (1980)	Identification, Involvement, Loyalty	Not selected	Primarily developed for the UK blue-collar workers
3	Three dimensional scale (ACS, CCS, NCS)	Meyer and Allen (1991, 1997)	Affective, Continuance, Normative	Selected	1. Widely used in research ¹ 2. Revalidated by Krishnaveni R. & Ramkumar N. (2008) and recommended suitable for future research in Indian context.

Table 0-3 : Selection of Tool, its Dimensions with Appropriate Rationale

Researcher wanted to use latest scale which is suitable to Indian context to shape up the research with finesse. Exploration of extant literature revealed that Meyer and Allen's scale (ACN) is the most widely used scale (Dunham et al., 1994; and McGee and Ford, 1987). Moreover, Krishnaveni R. and Ramkumar N. (2008) studied the revalidation of the three-component

¹ Dunham et al., 1994; and McGee and Ford, 1987

conceptualization model of Meyer and Allen (1997) in the context of India and recommended that the scale is suitable for future research. Therefore, the researcher has used readymade tool developed by Allen and Meyer (1997) as they measured the desired variables, happens to be the most recent and was also found to be suitable in the Indian context. There are a total of 18 items in the scale of which four are reverse edged items. This was modified to the Indian context as recommended by Krishnaveni R. & Ramkumar N. (2008).

Reliability of the Tool

A reliability analysis was carried out on the data obtained on each dimensions of the organizational commitment scale. The test details are depicted below:

Variables N =138	Cronbach Alpha	Cronbach Alpha of earlier ² studies - Range
Affective Commitment (6 Items)	0.889	0.77 to 0.88
Continuance Commitment (6 Items)	0.775	0.65 to 0.86
Normative Commitment (6 Items)	0.711	0.69 to 0.84

Table 0-4 : Reliability of Instrument (ACN)

Validity of the tool

After assessing the reliability of ACN measure, a factor analysis was conducted. After factor analysis, it was whittled down to 18 items under 3 components, namely, Affective, Continuance, and Normative Commitment (ACN). The following table indicates the results of factor analysis –

Table No. 5: Validity of Instrument - Factor Analysis

Variables N=138	KMO Measures of Sampling Adequacy With P Value	No. New Components	The Total of Factor Loading	Eigen Values	Total Variance Explained	New Factors
Affective Commitment (6 Items)	0.882 P = 0.000	1	4.822	3.886	64.758	Affective Commitment
Continuance Commitment (6 Items)	0.781 P = 0.000	1	4.120	2.864	47.735	Continuance Commitment
Normative Commitment (6 Items)	0.753 P = 0.00	1	3.801	2.634	43.896	Normative Commitment

Table 0-5 : Validity of Instrument - Factor Analysis

Extraction Method: Principal Component Analysis.

² Allen & Mayer (1990a); Cohen A. (1996, 99); Cohen and Kirchmeyer (1995); Hackett et al. (1994); Meyer & Allen (1997); Meyer, Irving & Allen (1998); Somers & Birnbaum (1998).

Based on the generally accepted rules of selecting a factor solution with Eigen values greater than 1 and incremental variance, a three factor solution was accepted. Finally, the researcher has used the scale of Allen & Meyer (1997) without making any modifications.

Scoring Method

Respondents were asked to reply to each item using a five-point Likert scale format: Strongly agree; agree; neutral; disagree and strongly disagree- as it applies to his or her organizational commitment level. Higher scores indicated higher level of commitment and lower scores indicates otherwise.

Interpreting the Score

The following ranges for the sets of scores provide a quick interpretation of the respondents’ scores.

Variables	No. of Questions	Rating Scale	Range	Interpretation For Measurement	
Affective Continuance Normative	6 (Each)	1 to 5	6 to 30	6.00 to 14.00	Lower Level of Commitment
				14.01 to 23.00	Moderate Level of Commitment
				23.01 to 30.00	High Level of Commitment
Total Organizational Commitment	18	1 to 5	18 to 90	18.00 to 42.00	Lower Level of Commitment
				42.01 to 66.00	Moderate Level of Commitment
				66.01 to 90.00	High Level of Commitment

Table 0-6 : Range and Interpretation of Measurements

9.0 Statistical Techniques

Several statistical techniques are used in this study. Firstly, regional profiles of doctors are shown in a tabular form. Secondly, descriptive techniques are computed and analyzed. Thirdly, One-way Analysis of Variance (ANOVA) is used to examine the differences between more than two independent samples for testing the hypothesis.

Results

The data collected from different sources have been organized in order to bring out effective findings and conclusions. Part I of the results represents the Sample Distribution (Demographic Profile) in Tabular Form. Part II shows the Descriptive Analysis of Variables. Part III explains the Testing of Hypotheses by analysing One-Way ANOVA.

By using Descriptive analysis and One-way ANOVA of the sample data, observations were made and determined the retention or rejection of the various hypotheses and finally presented in Analysis, Findings & Conclusion and Discussion.

Part I

Demographical Profile (Sample Distribution)

Table No. 23 shows sample distribution and in the survey, 20.3% doctors are representing the Delhi City and only 5.1% doctors are from Bangalore.

Regional Profile	Delhi	Chandigarh	Kolkata	Bhubaneswar	Hyderabad	Bangalore	Ahmadabad	Mumbai	Total
N	28	20	18	17	10	7	19	19	138
In Percentage	20.3%	14.5%	13%	12.3%	7.2%	5.1%	13.8%	13.8%	100

Table 0-7 : Sample Distribution

The majority of the respondents under study have the experience of below 5 years (45.7%). The more respondents during the study were between ages of 20-40 years. It shows that the ratio of young generation doctors during the study period was high (82.6%) as compared to others. There are more married employees (63.8%) compared to unmarried ones and 69.6% are male respondents. The study showed that most of the numbers of respondents (87%) were taking monthly salary between Rs.5000 to 20000.

Part II

Descriptive Analyses

Descriptive analysis of the commitment level of doctors has been worked out and detailed below. The computation of Mean and Standard Deviation is obtained by using SPSS. Following Table shows division of commitment level in three parameters i.e. High Level, Moderate Level and Low Level.

Sr. No.	Cities	Variables	Mean	SD	Total Commitment Mean Score	Interpretation
1	Kolkata	Affective	25.28	2.270	63.88	Moderate Level of Commitment
		Continuance	17.89	4.351		
		Normative	20.72	2.562		
2	Bhubaneswar	Affective	25.59	2.123	69.41	High Level of Commitment
		Continuance	19.82	4.747		
		Normative	24.00	4.062		
3	Delhi	Affective	24.75	3.524	64.57	Moderate Level of Commitment
		Continuance	18.39	3.871		
		Normative	21.43	3.271		
4	Chandigarh	Affective	23.45	4.850	63.60	Moderate Level of Commitment
		Continuance	18.50	2.800		

		Normative	21.65	3.422		
5	Bangalore	Affective	25.29	3.546	68.14	High Level of Commitment
		Continuance	20.57	7.208		
		Normative	22.29	5.155		
6	Hyderabad	Affective	22.10	4.358	63.70	Moderate Level of Commitment
		Continuance	19.70	3.561		
		Normative	21.90	2.514		
7	Ahmedabad	Affective	25.53	3.454	69.84	High Level of Commitment
		Continuance	21.32	4.321		
		Normative	23.00	3.559		
8	Mumbai	Affective	20.89	4.932	60.15	Moderate Level of Commitment
		Continuance	18.79	4.779		
		Normative	20.47	2.653		
9	Total (All Doctors of India)	Affective	24.14	4.014	High Level of Affective Commitment	
		Continuance	19.18	4.338	Moderate Level of Continuance Commitment	
		Normative	21.85	3.447	Moderate Level of Normative Commitment	

Table 0-8 : Commitment Level and Cities

Note: Total organizational Commitment includes – addition of mean score of affective, continuance and normative commitment.

The following observations are made from above table No. 8 -

- The higher level of mean affective commitment has been shown by doctors of six cities. The other two cities i.e. Hyderabad and Mumbai showed moderate level of affective commitment of doctors.
- Doctors of all eight cities of India revealed moderate level of continuance commitment ranging from mean score 17.00 to 21.32.
- The moderate level of normative commitment has been shown by doctors of seven cities of India. However, Bhubaneswar city showed higher level of normative commitment.
- Only three cities – Bhubaneswar, Bangalore and Ahmedabad showed the higher level of Total organizational commitment.

One Way - ANOVA

The technique used for testing the hypothesis is ‘One Way Analysis Of Variance’ (ANOVA). It examines the mean differences between more than two independent samples. All relevant values had been computed from SPSS package and F value and p (Sig.) values are presented in the tabular form.

Variable	F Value	Sig.	Significance
Affective Commitment	3.696	0.001	Significant Difference
Continuance Commitment	1.306	0.252	No Significant Difference
Normative Commitment	2.162	0.042	Significant Difference
Total Organizational Commitment	2.492	0.020	Significant Difference

Table 0-9 : F value from ANOVA Table and its significance

Analysis

The ANOVA table showed that the difference is significant for affective and normative commitment as F value is 3.696 and 2.162 respectively with less than 0.05 p values. However, the difference is not significant for mean continuance commitment as F value is 1.306 with p value more than 0.05.

There is significant difference for mean total organizational commitment as F value is 2.492 with p value less than 0.05.

Findings and Conclusion

- It is observed that there is significant difference in the mean affective commitment of doctors across the eight cities of India. Hence, the Null Hypothesis is rejected with reference to City. It may be concluded that an affective commitment level of doctors is not similar across the eight cities of India.
- There is no significant difference in the mean continuance commitment of doctors across the eight cities of India. Hence, the Null Hypothesis is retained with reference to City. It may be concluded that continuance commitment level of doctors is similar across the eight cities of India.
- There is significant difference in the mean normative commitment of doctors across the eight cities of India. Hence, the Null Hypothesis is rejected with reference to City. It may be concluded that normative commitment level of doctors is not similar across the eight cities of India.

- There is significant difference in the mean total organizational commitment of doctors across the eight cities of India. Hence, the Null Hypothesis is rejected with reference to City. It may be concluded that total organizational commitment level of doctors is not similar across the eight cities of India.

10.0 Discussion

The commitment level of doctors is analyzed all the eight cities of India. It is found that there is significant difference in the affective and normative commitment level of doctors working in hospitals across the eight cities of India. The cities like Hyderabad and Mumbai significantly differ from other cities in affective commitment. The city - Bhubaneswar is significantly differs from other seven cities for higher level of normative commitment of doctors. The doctors from all cities have shown similar level of continuance commitment towards working organizations (hospitals).

The following may be the reasons -

- To become a doctor, an individual has to put in years of dedication, display superlative sincerity to pursue and achieve that elusive single goal right from higher secondary schooling level onwards. Apart from that he should have basic interest, inclination and acumen in the subject plus a very strong will power to become a doctor. The medical education of 5 to 7 years and then post education internship and work-experience through clinical practice to achieve efficiency in the medical cadre - all these together make an individual doctor committed towards rendering quality healthcare. This may be the reason for higher level of affective commitment amongst doctors across different cities (The Hindu- Chennai, 2nd July 2010).
- Mumbai is the financial capital of India and geographically it is a natural port for exporting goods. It creates more business houses and more job opportunities (Hindustan Times- Delhi, 13th Jan. 2013). It may possible that doctors from Mumbai easily can switch over their job to other lucrative industries. In addition, the cost of living and standard of living in Mumbai is comparatively higher than the other cities of India. This may be the reason for moderate level of affective commitment of doctors.
- Mumbai city has culture of 'Individualism' (Karollil M., 2011). Hofstede (2001) believes that employees from the culture of 'Individualism' may have lower degree of identification (affective commitment) with their organizations. It may be the reason for lower (moderate) level of affective commitment of doctors compare to other cities.

- Hyderabad city is embedded ‘culture of migration’: the cultural atmosphere that leads many to decide to migrate (Syed Ali, 2007). This may be true for doctors which results into moderate level of affective commitment.
- Doctors are more ambitious, highly educated and oriented people with a perpetual inclination towards advancement of career. This would be the reason for lower level of continuance commitment of doctors towards hospital organization.
- In abroad, there is high demand for Indian doctors and surgeons, and they get continuously offered higher salary packages commensurate with their expertise and experience. This may be the reason for moderate level of normative commitment (The Economic Times – 13th May 2004; 20th Nov. 2014)

The findings given by Gelade & Dobson (2006) related to economic development of region and commitment level of employees towards organization, must be analysed and verified on within states or within cities (inter-city) of India with empirical support. Moreover, further study is required on Glazer et al. (2004) findings related to organizational commitment and different cultures specifically on multi states of India. In addition, more work is required on organizational commitment and differences in organizational structures and strategies Lincoln & Kalleberg (1990).

11.0 Implication of the study

The present study throws light upon the regional location of the doctors (working in hospitals) and their level of commitment. It was observed that in most of the hospitals, the Head of HR does not consider the demographic characteristics of region in the process of policy formulations. Extensive research has proved that HR policies are directly linked with commitment level of the employees (Watson Wyatt, 1999). All HR functions are always psychologically closely associated with employees (doctors) throughout their job tenure. Apart from vision, mission, goals, environment dynamism, strategies, structure and designs, the HR Head should always take into consideration the regional aspects to build a committed workforce in the hospital organization.

The study is limited to doctors those working in ‘Trust or Private’ hospitals in eight cities of India. The study has not considered the organizational culture (hospital) and its impact on commitment level of doctors. The focus of the study is only on the variables of organizational commitment; other foci of commitment are beyond the scope of study. The study has not thrown light on lack of commitment which could lead to medical errors and medical negligence,

however, lot of inter-disciplinary research is required to predict the relationship among medico-legal and psychological areas. Finally, the study was restricted to those doctors who were in service and present on particular day. In light of objectives of this study, the issues raised above were beyond the preview of the present effort. However, in view of improving the commitment level of employees these limitations may be considered for future research.

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Suggestions for Green Maneuvering in the Indian Hospitality Industry

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Abstract

A study of the resource management practices adopted in Indian hotels was conducted which revealed that eco-awareness is still a new concept in Indian Hospitality Industry. With increasing public awareness on environmental issues in other sectors, it is likely that environmental credentials in hospitality industry would play a part in customer reliability. The customer's perception and consistency is usually based on what they buy from the industry. In the case of a product, this perception relies principally on its own attributes, which are fundamentally tangible and measurable. However, in a service sector it is not so. Due to its intangible nature, customers have a tendency to use aspects related to the service. Working on the green initiatives adopted by Ecotels, non-Ecotels which are part of premier chain of hotels, as also opinion of guests-green engineers-experts, an attempt is made in the paper to suggest means of scaling up in future.

Key Words: *Green initiatives, sustainability, environmental management, hospitality industry, resources.*

1.0 Introduction

If environmental friendly process (service) and products meet consumer needs, they of course would have an advantage over the non-ecofriendly competitors. In accredited hotels like Ecotels, as well as hotels, which are part of premium groups, eco-activities are followed. But harmonization of these activities in all categories of hotels, providing a common yardstick to evaluate, is of utmost importance. The goal is to define a standard, verifiable criterion to meet established environmental leadership norms. Only then, environmental concerns could be translated into market benefit. Eco-certification systems are dynamic environmental programmes and would evolve as properties unearth ways to conserve the environment and respond to consumers. But all categories of hotels are not eco-certified. Regular hotels which are not eco-certified are not necessarily conscious regarding utilization of their resources. Green touch, environmental sustainability and customer satisfaction are new definitions to them. Hospitality industry does not comprise only the highest category in relation to both customer and grade of

the hotel. The paper depicts eco-initiatives that should be made part of regular activities of all hotels if resources are to be managed efficiently.

2.0 Review of Related Literature

Gray and Bebbington (2001), in the book 'Accounting for the Environment', has an extensive chapter on the growing significance and requisite of eco-efficiency policy within the structure of a firm. It emphasizes the reasons for minimizing wastes and the commitment to do so along with altering performances in the organizational milieu that supports businesses to take note of the consequences that their discard has on the planet. 'Towards Sustainable Growth in Nature-based Tourism Destinations: Clients' Views in Finnish Lapland' is a research paper by Tyrväinen, Uusitalo, Silvennoinen and Hasu (2014). The article elaborates on the current tourism growth strategies targeting eco-tourism which have spurred interests regarding achievement of sustainable methodologies. In Lapland, Northern Finland, the endeavour is to augment yearly visitors by twofold within the year 2020. The research paper 'Creating Change in Responsible Tourism Management through Social Marketing' by George and Frey (2010) debates on the worldwide peril of weather transformation, thinning environmental resources and considerable social disparities. 'Strategic Organizational Drivers of Corporate Environmental Responsibility in the Caribbean Hotel Industry', a research paper by Shah (2011), recognizes deliberate organizational drivers of company eco-accountability in the Caribbean hospitality industry. The article 'Image Differentiation with Corporate Environmental Responsibility' by Heikkurinen (2010) elaborates on organizational inferences of business accountability and the methodology followed by hospitality business to identify itself as eco-accountable. 'Innovative Product Development in Hotel Operations' by Frehse (2006) emphasizes that the hospitality business experiences difficult phase defending against the ongoing environmental stress. 'Competitive Strategies and Performance in Spanish Hospitality Firms' is a research article by Garrigós-Simón, Marqués and Narangajavana (2005). The focus of the paper is to recognize the associations involving intentional bearings and related eco-implementations in Spanish hotel industry. 'Environmental Knowledge, Unlearning, and Performance in Hospitality Companies' is a research paper written by Cegarra-Navarro, Martínez-Martínez, Gutiérrez and Rodríguez (2013). The Spanish hotel sector is confronting green disputes, which necessitates establishments to adopt innovative expertise and exercises so as to acquire latest green information and skill.

Again, Kirk way back in 1998, in his research paper 'Attitudes to Environmental Management Held by a Group of Hotel Managers in Edinburgh' makes a study of organizational administrators in Edinburgh.

In nutshell, the review depicts that environmental stress and eco-challenges are topics of concern. Though, primarily on a global level hospitality industry has developed consciousness regarding environment, majority of establishments lack adequate skills and innovative approaches to implement strategies in the said arena. Publications support that, in foreign countries, hospitality initiatives have started showing interests regarding green business and its financial implications in the long run. But, dearth of sufficient study associating green with Indian hospitality sector elaborates the fact that there is dire need of green management and service quality assurance in this quarter.

3.0 Methodology adopted for the study

Study was conducted with the help of a structured questionnaire to identify the resource management practices that are carried out by various categories of hotels. Survey revealed that green-initiatives, though a relatively common term, is not that very commonly practiced in majority of hotels. Finding the lacuna in hotel operations, an attempt is made in this paper to propose various means of becoming green. The following green-management suggestions discussed, are amalgamation of various information collected while interviewing guests, green engineers and experts during the course of study.

4.0 Maneuvering the Green Concept to scale up in future

Being a service industry, it is essential that hotels lay maximum emphasis on its eco-friendly physical environment and at the same time strategize on green management endeavour.

Physical Environment

Normally, the production and practice of services take place in a physical environment initiated and controlled by the hotel industry. The physical environment, considered to be the 'packaging' of services, has a specific role in facilitating and ensuring proper delivery of the service offering. The physical environment has four components- ambient state, spatial outline, decor and orientation motion. Ambient state consist of the various components such as colour, light, temperature, noise, odour and music- all of which determine the level of comfort during the service encounter and the impact on the customer's five senses; thereby influencing his acuity and reaction to the environment.

Spatial outline is the pattern and layout of structural designs, equipments and furnishings according to the requirements of the service delivery process. Decor and orientation motions are

visual representations used to design a decent comfortable atmosphere and to direct consumers within the service organization.

Primarily, an environmental touch to the property would gratify tourists who preferred the property because of its eco-friendly repute. Subsequently, one of the ways to convince guests to adopt eco-friendly behavior throughout their stay is to give the property an 'eco-friendly touch'.

Several elements that would encourage a comfortable touch in a property could concurrently endorse a green display. For instance, aquaria full of colorful fish, bonsai or potted plants are comfortable to look at and promote the eco-friendly ambience. These could be placed in the reception or at open areas. Possibly, upon check-in, guests could be enquired whether they preferred having a potted plant placed in their room during their stay. These could be cared for by the maintenance/operation team or an external business, and make the guests feel green and comfortable.

Nature oriented artwork could also bring the green experience. Exhibiting original work of local artists and proposing it for sale would provide a community association supporting financial objectives for sustainable development.

The storeys of the property could be based on green subjects. For instance, if there are only three storeys of tourist rooms, possibly, the storeys could be based on land-water-atmosphere or dawn-day-night subjects. If there are more storeys, then probably the subjects could be based on seasons, animal-diversity, or other innovative environmental ideas. These subjects could be revealed in the painting/sculpture exhibited on each storey, as also the colour of the flooring and partitions.

An 'ocean' or 'under water life' storey could have a large aquarium by the elevator to engage tourists while waiting for the elevator.

One of the identifying signs of a comfortable hotel is the free accessories that tourists obtain. The newer and superior quality accessories that guests receive, the cozier a property appears. These accessories could be eco-friendly. Possibly, little seed packets could be placed on pillows or, like Orchid, Mumbai, a basket containing herbs inducing sleep, bunch of neem twigs and aromatic oils could be innovative green practice. The complimentary shampoo containers could either be made of some eco-friendly material, so that they do not choke landfills, or possibly the containers could be patterned to be so nice that guests are impelled to leave them in the bathrooms, or take them and reuse them rather than throw them away.

There could be approaches to minimize waste in the food services of the hotel while at the same time increase the cozy ambiance of the hotel. In place of using paper napkins and disposable plates and flatware, room service could use cloth napkins and real dishes and flatware.

Using natural lighting during the day feels greener than using florescent lights. The hotel could propose open-air activities that highlight the area's local natural appeal. Dark wood furniture is luxurious. The hotel could possibly procure such furniture from places that use recycled or environment-friendly furnishings.

Business, characteristically, should change its melody. Sustainable building structure, energy-efficient plan, and environmentally friendly business performance are established sound cost-effective alternatives. Hence, more firms should understand the policy statement that 'going eco-friendly' is not only good for the environment, but is economically beneficial. Pioneering entrepreneurs and senior managers/decision makers should realize that they could meet the needs of the customers, expand their business foundation, enhance revenues and help solve environmental crisis following such strategies. Management of resources is to address concerns and offer guidance, technical-policy advice and understanding regarding the sustainable use of the earth's natural resources as land, water, and biodiversity; better responses to global environmental disputes; as well as extend knowledge required towards achieving these goals and becoming green.

The Green Management Endeavour

Hotels could take their dedication to the green endeavour one stride ahead by preferring to trade with retailers who share their same eco-friendly values. Businesses should know that their 'carbon footprint' includes every partner in their supply chain and thus functioning solely with eco-responsive suppliers could become an essential element of green business strategy. Eco-conscious companies should try to do their part to reduce emissions. Green exercises also make good economic sense in the long run by minimizing the overhead costs of the facility in the state of growing economic challenges as well as manage resources in a well-organized manner.

The practices, which includes several baseline standards of sustainability are as follows-

- initiating joint ventures with establishments that exhibit a dedication to conserving the environment
- sourcing environmentally preferable products and services locally, and purchasing natural and eco-responsive materials and supplies
- developing eco-responsible construction practices and

- retrofitting existing properties with water saving devices and energy efficient lighting, heating and cooling systems

As green management endeavour is a continuous process, the present study reveals that attention in the following areas might help to scale up in future.

Novel Management Practices

Personnel training and competence developing have become progressively more crucial parts of management for business to augment service quality, minimize labour costs, initiate awareness about environment and increase productivity. Successful employee-training programmes allow fresh employees to contemplate the thought of rising in rank. In addition, training the employee on environmental issues could provide an improved acuity regarding the holistic green activities of the hotel.

Two innovative practices that could be taken up for possible implementation in green hotels-

- Green Teaming- After the regular training programme for new recruits, the team managers could initiate trial teams comprising the most fervent trained fresh workers. These staff could form self-directed teams, with three/four employees per team. Within the allocated block they could decide their own performing areas, appraise quality, and carry out inspections. This methodology is successfully followed by Ramada Plaza Palm Grove, Mumbai, Maharashtra which abides by Wyndham Green Operating Standards. The programme is expected to lead to better employee retention and increased morale.
- Green Leader Attribute- Each employee of the hotel could take a turn as Green Leader for a week, an assignment that starts with deciding on an employee to be the leader/chief at work. Employees could acquire training programmes that focus on self-accountability to initiate innovativeness, resolve problems and instigate a pleasurable tourist experience.

Employee Appreciation and Implementation of Green Strategies

Apart from good supervision, workers also require certain incentives to perform ahead of expectations, particularly in an eco-friendly property. Although their training imparts green skill and aptitude essential to perform their work, the same must be revealed to tourists when the conditions arise. Official credit to good work by management and fellow employees is important and encourages employees to perform. Programmes such as selection of best employee (monthly or annually) and special incentives or rewards for outstanding accomplishment could provide such appreciation. More importance should be laid on obtaining staff involvement early in the process and spinning the programme slowly and steadily to gain staff cooperation. Initiating early

and proceeding gradually permits more time to impart suitable training and sufficient empowerment to authorize staff to outshine in their professions. As an innovative green policy is executed, it is assured to experience some trivial problems that would require attention. Endeavours are not likely to be effortless or trouble-free. Good human resource practice in such projects is an enduring proposal as it might require constant revisions and resolutions. On the other hand, the motif and functioning of a business could never totally eradicate environmental effects. Thus, the espousal of proper environmental training would lead to constant pursuit for better performance. Dedication to staff training may invite enhanced expenditures, but productivity should also escalate.

Advertising

Able advertising campaign proposes the appropriate product at the respectable price to the suitable market at the desirable time. Here, the product is an eco-friendly hotel. The market consists of meticulous customers, who possibly would target such properties. With the existing focus on global warming and environmental issues, such hotels satiate the green requirement in the progressing hospitality industry. Hotels could employ the following measures to advertise-

- The Internet being a resourceful mode of encouraging business, booking hotels online is becoming familiar. Along with virtual tour, the green accommodations and the environmental awareness of hotels could also be highlighted on official websites.
- Tour managers and travel agencies join in a significant task in helping tourists make a decision about their stay during their visits or vacations. Hosting a yearly gathering for tour conductors and local travel agents to state the mission statement and brief them about the environmental concern of the hotel could also be very effective means of advertising.
- An eco-friendly hotel could take advantage of the didactic importance of its green resources to encourage awareness among schools and institutes in the community. The lodging could host informative field excursions and campaign for its varied 'eco-ventures'. This would educate students and public on how environmental perception creates changes in one's locale. Flow charts that demonstrate the methodology adopted by the hotel in saving electricity, reducing wastes or benefitting from recycling are examples of programmes that could be taken up.

Recycling

Hotels are huge producers of solid waste per individual. Thus, executing a recycling programme is a prerequisite if hotels wish to be green and eco-friendly. Each recycling programme ought to be planned scrupulously to integrate it into daily practices of operation and should be made mandatory for all employees. The quantity of waste recycled fluctuates from one hotel to another based on the category of the facility, availability of resources and the extent of dedication by management and staff. Each hotel recycling programme should be exclusively patterned based on the course of actions, performances, and structural plan of the hotel.

Computer Modeling

Though not common in India, computer modeling is an effective device for decision making in hotels. Various hotel administration procedures could be modeled using flow charts, and process simulation programmes could then be utilized to manage resources and optimize the effectiveness of the process. A simple flow chart computer programme could be a brilliant way to envisage the interconnected steps in hotel management practice. Process simulation software could model environmental concerns in a hotel. For instance, the quantity of water used in regular chores such as dishwashing and laundry could be modeled, and the strictures could be altered to find out how water could be saved in these procedures. Parallel techniques could be used to decide on means to save electricity as well as minimize kitchen waste.

5.0 Conclusion

The study suggests that comfort seems to be an advantage when it reaches people appreciating environmentally friendly strategies. However, the dedication from both, the hotel employees as well as the travelers is perhaps the most vital element in making an environmentally friendly hotel successful. The implementation of green policies and strategies as new exemplar or paradigm would offer opportunities for the early adopters and those who seek to leverage it to their benefit. Thus, such eco-operation could educate the immediate surroundings and attain greater green accomplishment through cooperation and enhanced market share.

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Islamic Finance : Panacea for Rising Income / Wealth Inequality

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Abstract

The global economic downturn of 2008 brought forth the huge income / wealth disparity in the society. But what is more staggering is the fact that since 2008, the gap between the upper and the lower income strata has widened even further. And with the global economy on the cusp of another contraction (as predicted), this disparity will cripple it even more or vice versa. World Economic Forum has rated income inequality as one of the biggest global risks. Numerous policy initiatives by world bodies like United Nations and World Bank and various developed and developing economies have failed to yield any result. Progressive taxation policy adopted by some nations has not been really effective. The current economic system has failed to address the issue. An alternative system (Islamic Finance) with its deep rooted core values can provide an alternative. This paper will make attempts to understand the core tenets of Islamic Finance and how they can help in reducing the inequality.

Key Words: *Islamic Finance, Income Inequality, Gini's Coefficient, Wealth tax, Progressive Taxes, Capital Gains*

1.0 Introduction

The global economy has witnessed an unprecedented rise in wealth in the past few years. The money supply, the sheer scale of transactions and sizes of economies have ballooned. But unlike an air balloon, the expansion has not been uniform. And a major portion of this rise in global wealth is constricted in the hands of few. Though the policy makers take immense pride in the number of people they have brought out of poverty due to the global economic growth but that's relative poverty and the conditions continue to be abysmal. Policy makers, economists among others have suggested various measures to correct the income distribution pattern, but none have yielded sufficient results for reasons ranging from lack of capabilities to implement to political willingness. Inequality continues to fuel global unrests like occupy Wall Street, civilian unrest in Africa and Middle East. World Economic Forum's¹ Global Risk Report continues to rate income inequality as one the biggest risk to global economy.

¹ World Economic Forum (2013): Global Risks 2013, Eighth Edition, World Economic Forum, Davos, Switzerland.

“The greatest country, the richest country, is not that which has the most capitalists, monopolists, immense grabbing’s, vast fortunes, with its sad, sad soil of extreme, degrading, damning poverty, but the land in which there are the most homesteads, freeholds – where wealth does not show such contrasts high and low, where all men have enough – a modest living – and no man is made possessor beyond the sane and beautiful necessities.”

Walt Witman²

2.0 Research Objectives

- To study the extent of inequality in income / wealth distribution globally
- To understand the causes of inequality in income / wealth
- To understand the effects of inequality on society and economy
- To study the measures being taken to curb the rising income / wealth inequality
- To study whether Islamic Finance can help in achieving the goals of reducing inequality in income / wealth distribution

3.0 Research Approach

A secondary data survey was conducted wherein various sources viz. World Bank reports, United Nations Development reports, International Monetary Fund and World Economic Forum reports along with reports of Finance Ministry and Planning Commission of India. Further, publications from the Economist magazine, views of Nobel Laureates Prof. Joseph Stiglitz and Prof. Paul Krugman, Thomas Piketty, Prof. Emmanuel Saez, amongst other noteworthy economists, publications from research and consulting organisations, online databases, research papers, newspaper articles, videos / interviews / talks of experts on TED Talks, Youtube, etc. are tapped in to understand the present scenario of income inequality and the role that Islamic Finance can play in an effective and more even distribution of global wealth.

² Prose Before Hos (2013, March 10). Retrieved from the Prose Before Hos website: <http://www.prosebeforehos.com/progressive-economics/03/10/13-great-quotes-on-inequality/>

4.0 Glimpses of Global Wealth Distribution

“Any city however small is in fact divided into two, one the city of the poor and other of the rich; these are at war with one another.”

Plato³

Forbes Magazine in its 28th Annual Billionaire List⁴ gives out some startling and eye popping numbers. As per the magazine, there are a total of 1645 billionaires with an aggregate net worth of USD 6.4 trillion. There were 1426 billionaires in 2013 as per Forbes Magazines’ 27th of Annual Billionaire List⁵ and their net worth was USD 5.4 trillion. The average net worth has shot up from USD 4.2 billion in the previous year to USD 4.7 billion this year. For an entry into the richest 20 club, an individual needed an estimated net worth of USD 31 billion as against USD 23 billion in the preceding year, a sharp rise of USD 8 billion or 35 per cent year on year. The combined wealth of these 1645 individuals is two-third of China’s GDP in FY2014 and equivalent to combined GDP⁶ size of India, Russia and Brazil. If these individuals were to be a country, they will be the third richest behind US and China at one and two, respectively and way ahead of Japan and Germany at fourth and fifth spot, respectively.

As per the Credit Suisse Global Wealth report⁷ top 10 per cent own more than 87 per cent of global wealth, whereas, the top one per cent owns a whopping 48.2 per cent of the global wealth. In fact, according to Winnie Byanyima – Executive Director of Oxfam International⁸, only 85 individuals own as much as the bottom half of the population. According to Janet Yellen⁹ – Chairwoman of US Federal Reserve, between 1989 to 2013 the average income of top five per cent of households, after adjusting for inflation grew at 38 per cent whereas, the average real income of the remaining 95 per cent expanded at fewer than 10 per cent. An average CEO in US today earns as much 300 times the average worker. This figure stood at 30:1 in 1960s.

³ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/3/>

⁴ Forbes. (2014, March 3). *28th Annual Worlds Billionaires Issue*. Retrieved from Forbes website: <http://www.forbes.com/sites/forbespr/2014/03/03/forbes-releases-28th-annual-worlds-billionaires-issue/>

⁵ Forbes. (2013, December 15). *27th Annual Worlds Billionaires Issue*. Retrieved from Forbes website: <http://www.forbes.com/sites/briansolomon/2013/03/04/what-the-combined-wealth-of-all-1426-billionaires-could-do/>

⁶ The Richest. (2014, July 25). *The 10 Richest Economies in the World in 2014*. Retrieved from The Richest website: <http://www.therichest.com/rich-list/rich-countries/the-10-richest-economies-in-the-world-in-2014/?view=all>

⁷ The Guardian. (2014, October, 14). *Richest 1% of people own nearly half of global wealth*. Retrieved from The Guardian website: <http://www.theguardian.com/business/2014/oct/14/richest-1percent-half-global-wealth-credit-suisse-report>

⁸ The Guardian. (2014, January, 20). *85 richest people as wealthy as poorest half of the world*. Retrieved from The Guardian website: <http://www.theguardian.com/business/2014/jan/20/oxfam-85-richest-people-half-of-the-world>

⁹ The Wall Street Journal. (2014, October, 17). *Quotes from Janet Yellen on Income and Wealth Inequality*. Retrieved from The Wall Street Journal website: <http://blogs.wsj.com/briefly/2014/10/17/5-quotes-from-janet-yellen-on-income-and-wealth-inequality/>

What is astonishing is that the global economy is yet to recover from the shocks of 2008 economic downturn and many corporate including the big ones are reporting fall in profits or worst they are incurring losses. Still the executive compensation is on the upswing. Some economies in European Union and Japan have entered recession. Russia is on the brink of recession and the situation in Brazil and India is also grim. In fact, even the GDP of China has slowed down considerably from its peaks. Yet the number of billionaires and the wealth of these billionaires are rising and that too at a great speed. Below is the comparative study of Forbes Magazines' Annual Billionaire list to help you understand better;

Parameters	Year		
	2014	2013	2012
Total Billionaires Globally	1645	1426	1216
Combined Net Worth	USD 6.4 trillion	USD 5.4 trillion	USD 4.6 trillion
Combined rank in terms of GDP size of countries	3rd	4th	4th

Table 1 : Summary of Forbes Magazines' Annual Billionaire List

On the flip side, as per the World Bank¹⁰ data, in absolute terms, a sixth of global population (approximately 1.22 billion) is still languishing below the poverty line. World Bank defines absolute poverty as income less than USD 1.25 per day. Important to note here is that this standard was set a decade ago in 2005 and if we take inflation over a decade into consideration, the absolute poverty numbers will most likely shoot up. Further, more than a third of global population (approximately 2.4 billion) survives on less than USD two per day. The bottom 50 per cent of the world population on the wealth chart owns a miniscule one per cent of the total wealth¹¹ and the bottom 80 per cent owns only six per cent. So what we see here are two extremes and the distance between them is only increasing.

“An imbalance between rich and poor is the oldest and most fatal ailment of all republics.”

Plutarch, Ancient Greek Biographer¹²

¹⁰ The World Bank (2014, October 7). *Poverty Overview*. Retrieved from The World Bank website: <http://www.worldbank.org/en/topic/poverty/overview>

¹¹ The Guardian. (2014, October, 14). *Richest 1% of people own nearly half of global wealth*. Retrieved from The Guardian website: <http://www.theguardian.com/business/2014/oct/14/richest-1percent-half-global-wealth-credit-suisse-report>

¹² Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/1/>

5.0 Gini's Co-efficient

Gini's Co-efficient named after its developer Corrado Gini, helps to understand the extent of equality or inequality in the distribution of wealth in a country at a given time. The index is measured from 0 to 1 or from 0 to 100 where 0 indicates wealth distribution is equal and 1 or 100 indicates extreme inequality. As per a Quandl.com survey¹³ (Quandl.com is one of the leading online database provider in the domain of Finance, Economics and Social Indicators), the Gini's co-efficient of all G20 economies is in excess of 30 except for Japan and Germany, which has a co-efficient of 24.85 and 28.31, respectively (G20 countries account for 90 per cent of the global wealth). Amongst G20 countries, South Africa leads the inequality chart with a co-efficient of 63.14 followed by Brazil at 54.69 and Mexico at 47.16. The countries with co-efficient in excess of 40 are USA, Argentina, China, Russia and Turkey. The Gini's co-efficient for India is 33.9. The countries with highest income inequality worldwide are Seychelles (65.77), Comoros (64.30) and Namibia (63.90). This helps us to break the myth that income inequality is extreme in under developed or developing countries vis-à-vis the advanced nations. The most advanced and developed economies of the present day are also amongst the leading ones. Infact, incomes in some of the poorest / under developed countries like Afghanistan (27.82), Kazakhstan (29.04), Egypt (30.77), Sudan (35.29), Guinea Bissau (35.52) among others are far more evenly distributed than many developed and developing nations.

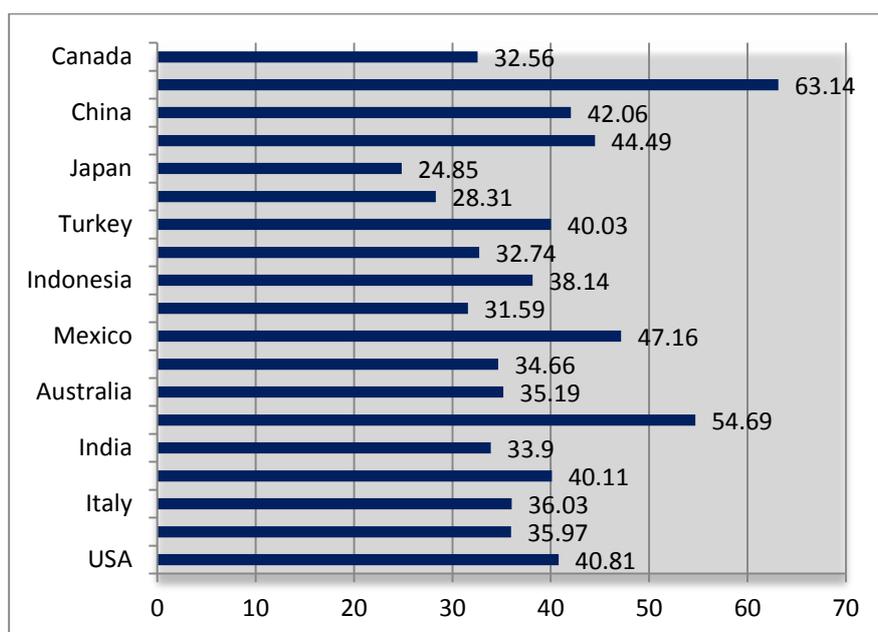


Figure 1 : Summary of Forbes Magazines' Annual Billionaire List

¹³ Quandl (2014, December). *Gini Index by Country*. Retrieved from the Quandl website: <https://www.quandl.com/c/demography/gini-index-by-country>

“Our inequality materializes our upper class, vulgarizes our middle class and brutalizes our lower class.”

Mathew Arnold, English Essayist¹⁴

6.0 Factors Responsible for Rising Income Inequality

Over the years there have been various studies on the causes of the rising inequality. Various factors have contributed to this, but some are more significant than the others. The Pareto principle holds true in this case as well. The following are the factors which have a significant contribution;

- **Interest Based Borrowings:** Ask investment banking professionals and prompt comes the response that in order to generate higher returns, the funding pattern of your acquisition shall be a mix of own as well as borrowed funds, in fact a higher proportion of the latter. Finance text books also say that Debt-Equity ratio should be 2:1, which means encouraging borrowings. The argument in favour of debt is that cost of debt is much lower than cost of equity. Is it really that the cost of debt is lower than cost of equity? Or is it artificially created? An individual is encouraged to put money in the banking domain and reap the paltry interest on the capital deposited / invested in bonds in return for safety. The corporations including the ones with huge profits borrow this capital at low interest rates and invest in projects / businesses which yield high returns with or without risk. As a result, there spread / margins are very high without even investing a penny in the business. This ongoing cycle leads to appreciation of capital for the user whereas, the individuals whose capital was used continues to languish at the bottom.
- **Reap Rich Rewards through Capital Gains:** The interest based borrowing leads to a phenomenon called capital gains. The policy formulations is such that, income / profits arising out of investments in financial markets are not taxed or are taxed at very low rates, leading to faster accumulation of wealth. According to Prof. Emanuel Saez¹⁵, capital gains are the biggest contributor to the wealth of top 0.1 per cent in US.

Even former Congressional Research Service expert Thomas Hungerford¹⁶ says that capital gains are the single greatest contributor to income inequality.

¹⁴ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/1/>

¹⁵ Youtube (2013, February 1). *Income Inequality: Evidence and Policy Implications*. Retrieved from the Youtube website: https://www.youtube.com/watch?v=t_FbB8Romhk

¹⁶ Youtube (2013, February 22). *The single greatest driver of Income Inequality*. Retrieved from the Youtube website: <https://www.youtube.com/watch?v=fBjzbfbCIFI>

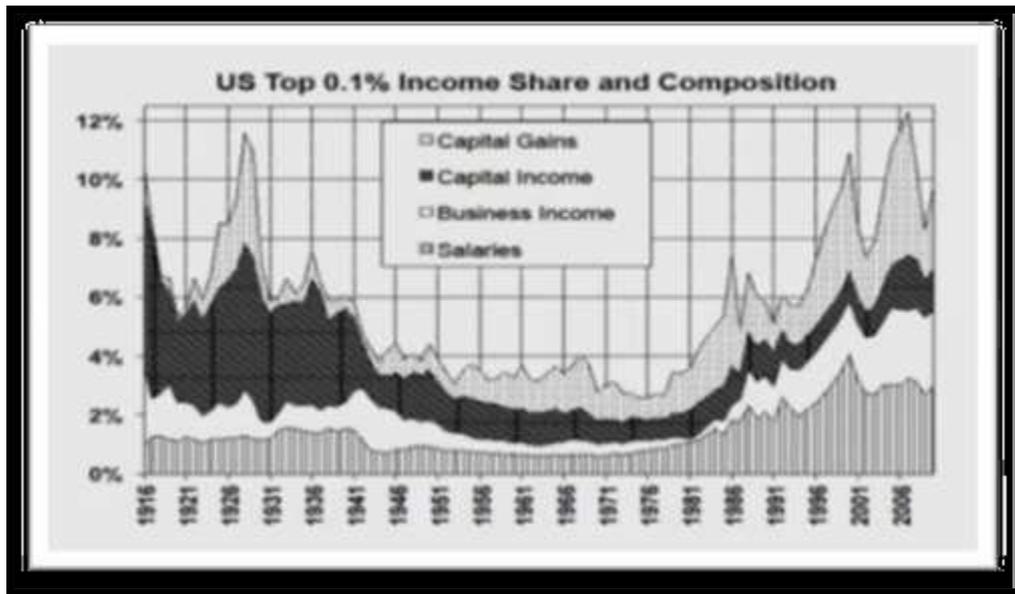


Figure 2 : Implications and Evidence with Emmanuel Saez, Source - www.youtube.com/Income Inequality

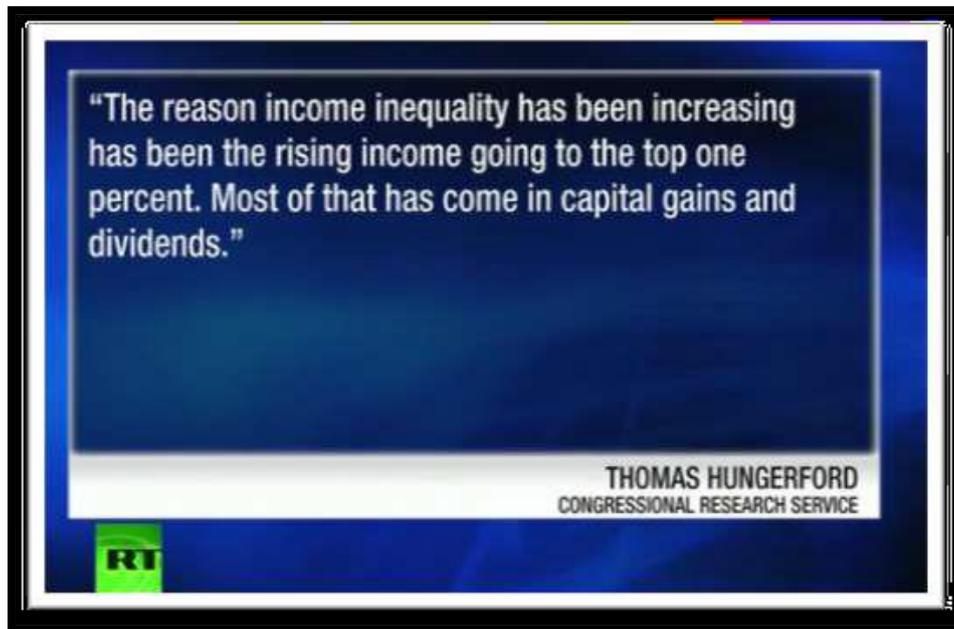


Figure 3 : The single greatest driver of income inequality, Source - www.youtube.com/

Nobel Laureate Prof. Joseph Stiglitz¹⁷ in his book *The Price of Inequality* says that more than half of the capital gains in the US accrue to the top 0.1 per cent and the governments over the years have continued to lower the taxes on them. Larry Summers, the former Economic Advisor to President Obama, says that capping the remuneration of top CEOs will do little to curb inequality. The government should revise the policy on

¹⁷ Stiglitz, J. (2012). *The Price of Inequality*. W.W. Norton & Company: UK

capital gains. Even James Montier in his paper titled “*The World’s Dumbest Idea*”¹⁸ criticizes the concept of Shareholder Value Maximisation (SVM) as he says that it focuses on only equity and debt holders in the company and ignores the rest of the stakeholders. To support his research, James Montier argues that a classical example of SVM is CEO compensation. He says that only one-third of the compensation comes from salaries and bonuses whereas, the remaining portion is received in the form of stocks and options. It is not too difficult to understand that if the take home from stocks and options would not be more than salaries and bonuses, a CEO would never opt for them, certainly not in such large proportions.

- **Taxation System:** The post tax returns through capital gains are higher only because the taxation policy allows it. The taxation policy has played a very critical role in the rising inequality. Larry Summers¹⁹ says that closing tax loopholes that largely benefit the wealthy like capital gains, estate tax provisions and corporate tax breaks will help the poor and middle class Americans, and reign in the inequality. He further says that today’s tax code allows a far larger share of income of the rich to escape taxation than that of poor and middle class. The general belief is that higher the income, higher the taxes. But that is not true to a great extent. If the source of income is only through salaries, the taxation rate is higher. But if there are multiple sources of income, the net or effective tax rate is much lower than that paid by salaried individuals. In US, the effective rate of tax for the top one per cent is approximately 20 per cent²⁰, whereas the salaried class pay in excess of one-third of their income.
- **Globalisation:** One of the most widely discussed topics worldwide amongst policy makers is globalization – whether it’s good or bad for the economy. The arguments on either side are strong and they hold merits. But in the present context, the policies of free movement of goods and services, removing international trade barriers and international trade arrangements are creating havoc in the developing markets. The poor in these economies are more vulnerable today. And it is thus the adverse impact of globalisation is being felt on income inequality. The capital constantly moves from one place to another and this money is never stationary at one place. Always ready for its next flight

¹⁸ CFA Institute (2014, October 23). *European Investment Conference: A Fresh Perspective: Checking Assumptions, Challenging Mindsets*. Retrieved from the CFA Institute website: <http://eic.cfainstitute.org/2014/10/23/shareholder-value-maximization-the-dumbest-idea-in-the-world/>

¹⁹ The Huffington Post (2014, February 18). *Raising taxes on the rich would reduce income inequality*. Retrieved from The Huffington Post website: http://www.huffingtonpost.com/2014/02/17/taxes-rich-larry-summers_n_4804285.html?ir=India

²⁰ Stiglitz, J. (2012). *The Price of Inequality*. W.W. Norton & Company: UK

and the destination being resulted savings in cost or higher profit margins or both. Because of its flow, the capital has unsettled many businesses in multiple geographies across the globe, leading to job losses, skill sets being made redundant and technologies becoming obsolete. Nobel laureate Prof. Joseph Stiglitz in his book *Discontents of Globalisation*²¹ argues how globalisation policies including those of IMF (International Monetary Fund) almost brought the world on the verge of a meltdown during the East Asia crisis in 1997.

- **Government Policies:** Governments across the globe initiate various measures and policies keeping in mind the larger outlook of the economy, its needs and requirements and the problems or issues it is facing. Though, the benefits of these decisions should accrue to the society at large unfortunately some of these policy decisions are heavily influenced and act only in the interest of few. Here are few examples of the same;

Deregulation: Considered to be one of the most effective and efficient tool to leave the market to the prevalent forces and influencing conditions. The big assumption here is that the market will adjust itself according to the pulls and push of the market and the information flows freely and everyone has access to it. But unfortunately this happens rarely. A classical case in point is the deregulation of financial sector worldwide. It has led to introduction of toxic products and services like derivatives which are the main reasons of the recent economic crisis. Further, globally sectors like oil & energy, coal, etc. have also been exploited to the core post deregulation. In fact, former Citi Group chairman Charles “Chuck” Prince²² famously said *“as long as the music is playing, you have got to get up and dance. We are still dancing”* referring to the deregulation policy of US Federal Reserve. He also said that in his opinion the lack of regulatory oversight allowed the system to veer away from macro-prudential finance. He said there are systemic risks when the regulator urges investment bankers to take more risk to get higher rewards as it destabilises the financial system.

Another classic example of deregulation is the rise of commodity markets globally. Though the commodity exchanges are providing a common place to the buyer and seller, but it's the entry of investors which is creating havoc in the system. For example, every time the inflation goes beyond the tolerance limits of the central bankers, the government enforces a ban on the trading of agricultural commodities, which indicates

²¹ Stiglitz, J. (2002). *Globalization and Its Discontents*. Penguin Books: USA.

²² Credit Writedowns (2010, April 8). *Chuck Prince confirms that risky behavior drives out prudent when risk is rewarded*. Retrieved from the Credit Writedowns website: <https://www.creditwritedowns.com/2010/04/citigroups-chuck-prince-confirms-that-risky-behavior-drives-out-prudent-when-risk-is-rewarded.html>

that there is a link between rising prices of commodities and the functioning of commodity markets. An ideal way of functioning for commodity markets, irrespective of the commodity being traded, the buyer should be forced to take delivery of the commodity, which shall help in eliminating the players / participants with only financial interests.

“The poor have sometimes objected to being governed badly. The rich have always objected to being governed at all.”

G.K. Chesterson, English Writer and Poet²³

Foreign Direct Investment: Another widely abused policy measure is allowing foreign direct investment (FDI) in the country. Though, FDI by itself if regulated properly can be a big boon for an economy but that’s a distant dream. For example, governments in developing nations suggest that FDI is the panacea for all cures. When in reality, FDI allows the capital holders to consolidate their financial positions and make more money and in the process only a company / organisation benefits. Even in India, decisions allowing FDI in sectors like Insurance, Defense and Retail among others is grossly violated (will lead to concentration in the hands of few) and the country to a greater extent can even do without it in these industries.

- **Rise of Financial Markets / Products:** Since the start of deregulation of financial industry in US during the Ronald Reagan administration in early 1980s, the sector has become one of the most powerful globally. At the start of Sub-prime crisis in early 2008, more than 40 per cent of the overall corporate profits came from the financial services industry²⁴. What is noteworthy here is that financial products like derivatives, collateralised debt obligation (CDO) among others are the major contributors in this profit. The same products are also one of the most important reasons for the crisis. Derivatives product are not necessarily bad if used as a hedging mechanism but unfortunately due to deregulation, anybody can speculate using derivatives products on a host of things ranging from currency to climate, interest rates to incomes, among others. This speculative activity is the bone of contention, yet the regulators and policy makers continue to overlook. The argument including by former US Federal Reserve chairman Allan Greenspan²⁵ is that, derivatives products make market stable, when in reality they destabilize them due to prevalence of speculative activity. Further, with the rising powers,

²³ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/2/>

²⁴ Stiglitz, J. (2012). *The Price of Inequality*. W.W. Norton & Company: UK

²⁵ The Inside Job (2010, October 8). Directed by Charles H. Ferguson.

the financial services industry is also the biggest contributor to the election campaigns in developed markets like US²⁶ and UK where the data is available.

7.0 Effect of Rising Inequality on Society

“In the long run, men inevitably become the victims of their wealth. They adapt their lives and habits to their money, not their money to their lives. It preoccupies their thoughts, creates artificial needs and draws a curtain between them and the world.”

Herbert Croly²⁷

British epidemiologists Kate Pickett and Richard Wilkinson in their book *“The Spirit level: Why Greater Equality Makes Societies Stronger”* claims that every modern social problem viz. poor health, violence, lack of community life, teen pregnancy, mental illness is more likely to happen in less equal society. They further suggest that inequality enhances dominance and submission and have a deep impact on our psychology and our social relations. It increases social distance; intensify mistrust and competition for status and feeds feelings of humiliation and status anxiety. The Equality Trust²⁸ research highlights the impacts of inequality on;

- **Health:** The findings of the research highlights that life expectancy is longer and rates of adult mortality, infant mortality, mental illness and obesity are lower in more equal society. Even according to Mr. Richard Wilkinson²⁹, the life expectancy may lag in US vis-à-vis countries like Sweden, Denmark which are more equal. As per Burns, Tomita and Kapadia³⁰ there is an increased risk of schizophrenia within people living in more unequal societies. But what is staggering is that a 0.05 unit increase in Gini coefficient leads to mortality rate rising by eight per cent as per the study done by Kondo et.al³¹.
- **Social Mobility:** Miles Corak³² in his paper titled *“The Great Gatsby Curve”* published in 2011 finds that there is a very strong relationship between high levels of income inequality and low levels of social mobility, as can be seen from the graph below. The

²⁶ Open Secrets.org – Centre for Responsive Politics (2014, December 14). *Influence and Lobbying*. Retrieved from the Open Secrets.org website: <http://www.opensecrets.org/industries/>

²⁷ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/1/>

²⁸ The Equality Trust (2014). *Inequality impact on health*. Retrieved from the Equality Trust website: <http://www.equalitytrust.org.uk/about-inequality/effects>

²⁹ The New York Times (2014, March 25). *Income Inequality : A Search for Consequences*. Retrieved from The New York Times website: http://www.nytimes.com/2014/03/26/business/economy/making-sense-of-income-inequality.html?_r=0

³⁰ Burns JK et.al (2013); Income inequality and schizophrenia: increased schizophrenia incidence in countries with high levels of income inequality, *Int J Soc Psychiatry*.

³¹ Kondo et.al (2009); Income inequality, mortality, and self rated health: meta-analysis of multilevel studies. *The bmj*.

³² Corak, M.(2012); Inequality from generation to generation: the United States in Comparison.

paper further highlights the concentration of wealth in one generation and the ability of those in the next generation to move up the ladder compared to their parents, which shows that children from poor families are less likely to improve their status as adults in countries where economic inequality is higher.

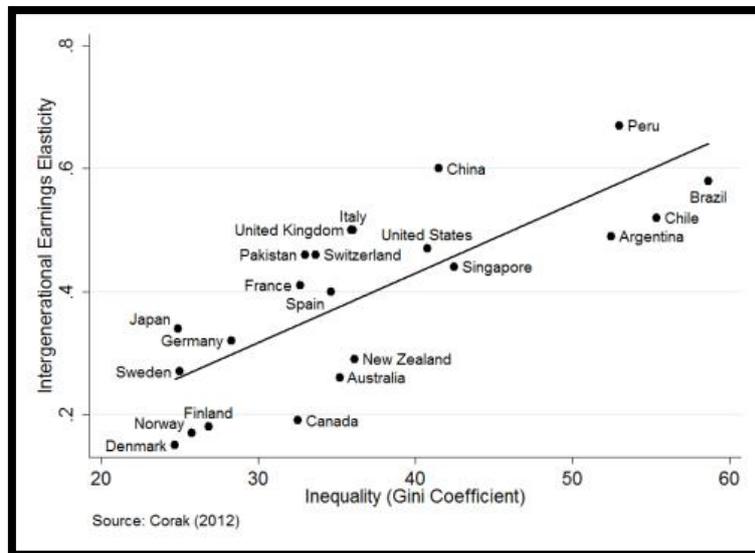


Figure 4

- Education: The work done by Richard Wilkinson and Kate Pickett³³ in their book “The Spirit Level: Why Greater Equality Makes Societies Stronger” has found a correlation between low scores in mathematics, science and reading and inequality between countries.

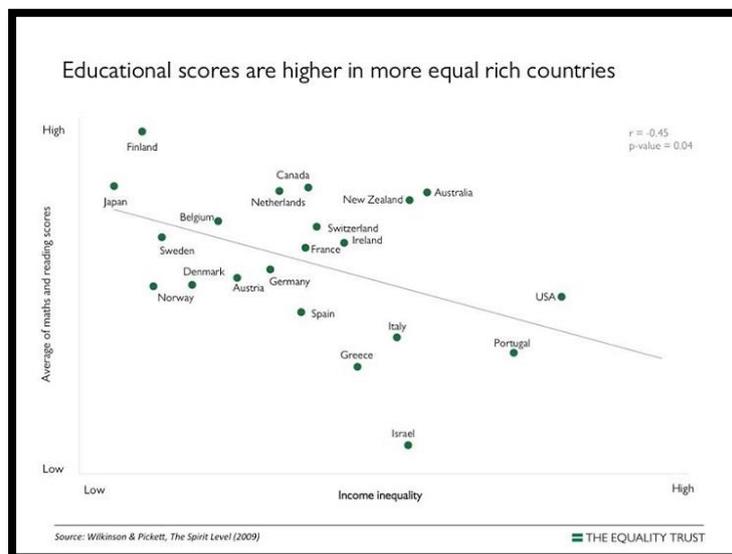


Figure 5

³³ Wilkinson, R., & Pickett, K. (2009). *The Spirit Level: Why More Equal Societies Almost Always Do Better*. UK.

- **Crime:** Hseigh and Pugh³⁴ through their research published in National Criminal Justice Reference Service say that rate of violence are higher in more unequal societies. They suggest that small decreases in inequality – such as reducing inequality from the level found in Spain to that in Canada would help in reducing homicides by 20 per cent and can lead to 23 per cent reduction in robberies in the long term.

“Ill fares the land, to hastening ills a prey, where wealth accumulates and men decay.”

Oliver Goldsmith³⁵

- **Economy:** Increased inequality can lead to financial crises, claims the study done by Kumhof and Ranciere in 2010³⁶. It also claims that inequality leads to sharp rise in the debt-to-income ratio amongst lower and middle income households. The study shows the evidence of sharp rise in borrowing in the preceding two decades of the both the Great depression of 1929 and the Sub-prime crisis of 2007. Further, a paper published by Matteo Iacoviello³⁷ in the Journal of Money, Credit and Banking in August 2008 substantiates the fact that high levels of income inequality leads to an increase in personal and institutional debt. Whereas, Berg and Ostry³⁸ in an IMF working paper say that inequality leads to economic instability and crises, while a more equal society tends to have longer periods of sustained growth.
- **Politically Corrosive:** If, in the words of the old adage ‘money equals power’ then more unequal societies represent a threat to meaningful democracy. This power can be exercised legally, with hundreds of millions spent each year in many countries on lobbying politicians, or illegitimately with money used to corrupt the political process and purchase democratic decision making. Joseph Stiglitz³⁹ and others⁴⁰ have pointed out the way in which financial liberalisation led to huge power for the financial industry, which in turn has led to further liberalisation. In the UK the governing Conservative party receives

³⁴ Hseigh & Pugh (1993); Poverty, Income Inequality and Violent Crime: A Meta-Analysis Of recent Aggregate Data Services; *National Criminal Justice Reference Service*.

³⁵ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/1/>

³⁶ Kumhof, M., & Ranciere, R. (2010). Inequality, Leverage and Crises. *IMF Working Paper, WP/10/268*.

³⁷ Iacoivello M., (2008). *Household Debt and Income Inequality. Journal of Money, Credit and Banking*. Vol. 40. No.5.

³⁸ Berg, A.G. & Ostry, J.D. (2011). Inequality and Unsustainable Growth : Two Sides of the Same Coin? *IMF Staff Discussion Note, SDN/11/08*.

³⁹ The New York Times (2012, August 3). *Sunday Book Review - Separate and Unequal: The Price of Inequality*. Retrieved from The New York Times website: <http://www.nytimes.com/2012/08/05/books/review/the-price-of-inequality-by-joseph-e-stiglitz.html?pagewanted=all>

⁴⁰ Hacker, J.S., & Pierson, P. (2011). *Winner-Take-All Politics: How Washington Made the Rich Richer--and Turned Its Back on the Middle Class*. Simon & Schuster Paperbacks, USA.

over half its donations from the financial services industry⁴¹. Capture of politics by elites is also very prevalent in developing countries, leading to policies that benefit the richest few and not the poor majority, even in democracies⁴².

“A State divided into a small number of rich and a large number of poor will always develop a government manipulated by the rich to protect the amenities represented by their property.”

Harold Laski, British Political Theorist⁴³

8.0 Measures taken to curb the Rising Inequality

The recent economic crisis is a blessing in disguise for curtailing rising inequality. The slump in the economy has brought the inequality debate to the forefront. Policy makers across countries have realized addressing income inequality is critical for revival of growth. If the global economy has to sustain and grow further, the gap between the haves and have-nots should be reduced and governments across the globe are taking various measures to curb the rising inequality. Following are some of the measures being taken;

- **Employment Generation:** Globalisation has led to outsourcing of some of the jobs and at the same time attracting talent from other countries for other jobs has led to an unemployment crisis. Unemployment rates in advance countries like America, Europe, Japan and Singapore were beyond tolerant limits. The government of Singapore in its 2012 budget⁴⁴ announced measures to curb the inflow of foreign workers. The country claims that it has three of the top 10 global universities and organisations should hire citizens of Singapore and if they don't find a relevant candidate then only they can hire a foreign passport holder. Similarly, US has also curtailed the number of H-1B visas it issues to arrest the flow of jobs overseas. Though the measure is in the right direction, but it shall take some time before the results can be achieved. A major hindrance in this is the lack of candidates with suitable qualifications and hence the government is forced to allow companies to employ a foreigner.

⁴¹ The Guardian (2011, September 30). *City's Influence over Conservatives laid bare by research into donations*. Retrieved from The Guardian website: <http://www.guardian.co.uk/politics/2011/sep/30/city-conservatives-donations>

⁴² TinyURL.com (2005): *Democratisation and the Dynamics of Income Distribution in Low and Middle-income Countries*. Retrieved from the TinyURL.com website: <http://tinyurl.com/aq9k7nk> Democratisation and the Dynamics of Income Distribution in Low and Middle-income Countries, 1985 -- 1995

⁴³ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/1/>

⁴⁴ Bloomberg (2012, February 17). *Singapore Shifts Priority from growth to curb income inequality*. Retrieved from the Bloomberg website: <http://www.bloomberg.com/news/2012-02-17/singapore-increases-aid-to-poor-boosts-incomes-of-older-workers-in-budget.html>

- **Increasing the Minimum Wage:** In order to raise the standard of living and to reduce the gap between rich and poor, the policy makers are suggesting increasing the minimum wage rate paid to the labourers. This shall help them tackle the rising cost of living as well. Some billionaires like Nick Hanauer⁴⁵ have raised an alarm to fellow billionaires that the rising inequality is not in the best interest of anyone. In fact, he suggests that if the billionaires want to continue making more money, they should be concerned about the people of the society who are ultimately the consumers of their products and services. Even a country like China has adopted this measure to keep up with the demands of its burgeoning workforce, though this may dent its low cost supremacy in manufacturing. But in order to sustain its overall economic growth and development, the country will have to raise the minimum wages. It is planning to raise the minimum wages by 40 per cent⁴⁶ of the average salary by the end of 2015.
- **Progressive Taxation:** Progressive taxation aims to tax higher income at a higher rate as compared to people at the lower income level. The argument here is let the ones who earn more pay more taxes as this will help the government increase the tax collection and ultimately it can increase its budgets on welfare scheme of the society, primarily benefitting the marginalised sections. Many countries including India introduced this in the past few years, albeit on a very smaller scale. The critics claim this to be eyewash and the additional tax on the upper strata of the society is not much. For example, in 2013, the then Finance Minister⁴⁷ of India introduced a surcharge of 10 per cent over and above the prevalent taxes on people with income in excess of 10 million per annum. As per the minister there were 42,800 individuals in India with income in excess of 10 million during that year. The critics of progressive taxation are vocal and have claimed that it's too little and too late. Also, they criticize the various loopholes in the taxation system which helps the wealthy to reduce the taxable income and ultimately the tax collection and the very purpose of introducing the tax.
- **Higher Tax Exemption Limits:** While the government in India raised taxes on the rich, simultaneously it has also reduced the burden of taxes on the low income group. The tax exemption limits have been hiked allowing people to have more money at their

⁴⁵ Ted (2014, August). *Beware, fellow plutocrats, the pitchforks are coming*. Retrieved from the Ted website: http://www.ted.com/talks/nick_hanauer_beware_fellow_plutocrats_the_pitchforks_are_coming

⁴⁶ CNN Money (2013, February 5). *China moves to curb rising income inequality*. Retrieved from the CNN Money website: <http://money.cnn.com/2013/02/05/news/economy/china-income-inequality/>

⁴⁷ Reuters (2013, February 28). *Budget 2013: Rich taxpayers to pay 10 percent surcharge*. Retrieved from the Reuters website: <http://in.reuters.com/article/2013/02/28/india-budget-tax-surcharge-1-crore-idINDEE91R05I20130228>

disposal, leading to higher spending capacity, which in turns can fuel the consumption led growth. In India, the budget for the year 2014-15⁴⁸ hiked the taxable income from two lakhs per annum to 2.5 lakhs per annum, thus allowing an individual with another Rs.5,000 as disposable income. Further, the investment limits under various sections has also been raised to 1.5 lakhs from one lakh in the preceding year. This allows individuals to save more money in the form of various investments. But again, this is too less when compared with the rate of inflation and rise in indirect taxes, which more or less set off the benefits arising due to exemptions in direct taxes.

9.0 Islamic Finance

Islamic Finance is a system of finance based on Islamic law, or Shariah. It aims to achieve economic and social justice in all financial matters. Islamic Banking and Finance is more stable option vis-à-vis the conventional system as its fundamentals are not based on interest and speculation, uncertainty and gambling which are the key ingredients of the current levels of inequality. In contrast to conventional finance, Islamic finance takes into consideration the moral consequences of financial transactions. It ensures that financial contracts are fair and equitable and guarantees that financial rewards are correlated with the level of risk and responsibility borne by all parties. Islamic finance is also commonly known as “Ethical Finance” or “Participatory Finance”, Profit and Loss Sharing Finance or “Interest-free Finance”. It is growing annually at a rate of more than 15%. Not only Muslim countries but modern, secular and industrialized countries like UK, France, Japan, Singapore and Hong Kong have Islamic finance hubs. Islamic financial institutions are operating in more than 75 countries and assets under management are in excess of US\$ 1.5 trillion⁴⁹

“The basic tenets of Islamic banking underlines its commitment towards equitable and fair distribution of monetary resources, thus ensuring distributive justice and larger human welfare, the challenge of globalization is how to make world a better place for humanity, to build a new international order of peace, progress and prosperity for all sections of society...Islamic Banking addressed these very issues...”

Mr. Palani Manickam, Hon’ble Minister of State for Finance⁵⁰

⁴⁸ Yahoo Finance (2014, July 10). *Budget 2014-15: Check your tax slabs and I-T exemption limits*. Retrieved from the Yahoo Finance website: <https://in.finance.yahoo.com/photos/budget-2014-15-check-your-tax-slabs-and-i-t-exemption-limits-1404913883-slideshow/>

⁴⁹ Farooq, U. (2012). “*Seeking Financial Inclusion Through Islamic Finance : Opportunities and Challenges*”, Management Vision, Vol. No. 3, Issue No. 2.

⁵⁰ Raqeeb, H.A. (2010). *Prominent Personalities on Islamic Banking*. Retrieved from the website: <http://www.jihntn.org/wordpress/wp-content/uploads/2011/02>

Let us understand the principles of Islamic Finance and how each of these will help in reinstating equality in the society. Here are a few key principles;

- **Real Economy:** The most important factor for an equitable society is that the economy should rest on real factors which are quantifiable and stable. The conventional system of economy rests on paper currency or commonly known as *Fractional Reserve System* (FRS)⁵¹ which is created out of thin air as per the requirement, thus leading to sharp volatility. Also, since money is created as per the requirement, there is a problem of excess supply, leading to erosion in the value of the currencies. The high inflation phenomenon in today's scenario is courtesy the FRS which doesn't have the backing of real assets like gold and its equivalents. Also, the real economy factor will drive away toxic instruments like derivatives which were one of the biggest factors for the present global economic meltdown as pointed out above.
- **Encourages Risk Sharing:** Another important concept of Islamic finance is that it encourages risk sharing rather than risk transferring. The conventional financial system propagates transfer of risk through interest based borrowing / lending. The advantage of encouraging risk taking is that the rewards will be linked to sweat and money will not attract money. Thus creating equal opportunity for everyone in the society. Allocating capital based on the risk factor shall also streamline the borrowing / lending process and also improve the returns and reduce the possibility of nonperforming assets (NPA) as money will be lent on the basis of the potential of the business and not on the basis of the person borrowing it. The concern of central bankers and policy makers is the rising NPAs which threaten to cripple the banking industry and ultimately the economy. Pulling up bankers for rising NPAs, the Reserve Bank of India Governor Raghuram Rajan⁵² said the amount written off by bankers in India in the last five years is sufficient enough to fund the education of 1.5 million students in the top universities in the country.
- **Tax on Wealth and Not Income:** Today, the problem in the society is of extreme inequality in wealth and not income. Hence in order to effectively tackle the rising inequality, tax should be implemented on wealth and not on income. Islamic finance says the income of an individual is the fruit for his labour and he should get to savour it. The

⁵¹ Khan Academy (2012, March 21). *Overview of Fractional Reserve Banking*. Retrieved from the Khan Academy website: <https://www.khanacademy.org/economics-finance-domain/macroeconomics/monetary-system-topic/fractional-reserve-banking-tut/v/overview-of-fractional-reserve-banking>

⁵² The Times of India (2014, November, 26). *Rajan slams banks for hiding NPA's*. Retrieved from The Times of India website: <http://timesofindia.indiatimes.com/business/india-business/Rajan-slams-banks-for-hiding-NPAs/articleshow/45277219.cms>

current practice of tax on income robs an individual (assuming he falls in the highest tax bracket) of his earning of approximately three months in a year. He doesn't receive the money for which he has worked hard for those three months. Taxing income, including progressive taxes are of little or no help to curb the menace. Daniel Atman⁵³ associate professor of economics at New York University says that replacing the income, gift and estate taxes with wealth tax will help reign in inequality. Islamic finance says that taxing income leads to accumulation of wealth, which the phenomenon is happening today, whereas taxing wealth will discourage accumulation. Further, it says that taxing wealth will encourage spending and there will always be money is circulation. At present, it is exactly the opposite of it. In fact, as per the Islamic finance principle, the tax rate is mere 2.5 per cent on the accumulated wealth of an individual, after taking care of the basic necessities. The low rate of taxation will also encourage payment and the cases of tax avoidance will be relatively low or negligible.

“Modify interest rates to zero and review tax rate about two per cent.”

Maurice Allais, Noble Laureate in Economics suggested these measures in the wake of surmounting crisis of indebtedness and unemployment. This is in complete harmony with Islamic Finance principle of zero interest and 2.5 per cent tax on wealth.

10.0 Conclusion

“So distribution should undo excess and each man have enough”

William Shakespeare⁵⁴

Looking at the state of the prevalent inequality in wealth in the society, the global economy will continue to remain unstable. The ever increasing difference between the haves and have-nots will continue to fuel the global unrest like occupy Wall Street, racial abuse, discrimination between local citizens and the foreigners in the country, adverse effects on health and social mobility, poor education and most importantly lack of participation in the economic growth. Through intense research work on the subject, it has managed to grab the attention of policy makers, economists and Nobel Laureates which is a positive signal. The economic downturn of 2008 and the ensuing slower than expected pace of global economic recovery have managed to bring the subject on the forefront of national and international debates. This has prompted

⁵³ The New York Times (2012, November 18). *To Reduce Inequality, Tax Wealth, Not Income*. Retrieved from The New York Times website: http://www.nytimes.com/2012/11/19/opinion/to-reduce-inequality-tax-wealth-not-income.html?_r=1&

⁵⁴ Inequality Quotes. Retrieved from the Inequality Quotes.org website: <http://inequality.org/quotes/page/1/>

policy makers to initiate measures like increasing minimum wages, raising the exemption limit on the lowest strata are the steps in the right direction to curb inequality. But policies like progressive taxation which is the least effective amongst all measures is the most glorified. Also, lack of thrust on effective government regulations, all the efforts become fragile and will not be able to curb the menace. It needs bold measures and a complete overhauling of taxation and economic system which is based on strong fundamentals. Islamic finance with its core values and thrust on real economy, encouraging risk sharing and taxing the wealth rather than income is the need of the hour. Also, Islamic finance will help in eliminating the frequent tremors felt by global economy and make it more stable and sustainable. The economies which concentrated on the core aspects which Islamic finance propagates, managed to sail through the recent economic downturn with minimal impact.

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Impact of Role Satisfaction on Work Life Balance among employees in a Private Insurance Company

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Abstract

This paper puts forth the framework of Employee Work Life balance and explores the influence of Role Satisfaction as a factor leading to employee work life balance. Role satisfaction is defined as the extent to which employees like their work. Further the study seeks to determine whether the role satisfaction differs with the educational background the employees represent. The study involved administration of a questionnaire consisting of 25 statements on role satisfaction and Gallup 12 statements on employee work life balance. The study reveals that training, welfare and salary had no impact on employee work life balance. Organizations need to give importance to employee development and employee well-being so that role satisfaction can be improved.

Key Words: *Role Satisfaction, Work Life Balance, Talent Retention and Management*

1.0 Introduction

Today's organizations have identified and acknowledged their human resources as an asset and are consciously investing into developing and retaining them with an intention to gain competitive advantage over others in the industry. Due to this, Managements are adopting various strategies for recruiting, developing and retaining people. In addition to these, efforts are being taken to create an environment that fosters trust, openness and support required for employees to experience role satisfaction as it is established that satisfied employees create satisfied customers. In the long run, this environment is required to enhance the state of satisfaction to employee's work life balance. Many researchers have reported in their studies that engaged employees create far more value to the organization than unengaged employees.

A healthy workplace means a holistic work life and a premise which takes into consideration the physical, spiritual, environmental, intellectual, emotional, occupational and mental health of employees.

Work-life balance is assisted by employers who institute policies, procedures, actions, and expectations that enable employees to easily pursue more balanced lives. The pursuit of work-life

balance reduces the stress employees' experience. When they spend the majority of their days on work-related activities and feel as if they are neglecting the other important components of their lives, stress and unhappiness result. Work-life balance enables employees to feel as if they are paying attention to all the important aspects of their lives.

2.0 Defining Employee Work Life Balance

Clark (2000) defines work-family balance as “satisfaction and good functioning at work and at home, with a minimum of role conflict” (p. 751). Work-family research has long been guided by the role stress theory, wherein the negative side of the work-family interaction has been put under the spotlight. Recently, the emphasis has shifted towards the investigation of the positive interaction between work and family roles as well as roles outside work and family lives, and scholars have started to deliberate on the essence of work-life balance (Jones et al., 2006). For psychological work life balance, the two major dimensions are emotional and cognitive work life balance. Emotional work life balance means having good relations with superiors and peers and experiencing empathy for others. Those who are cognitively engaged are well aware of their mission and role in their work environment. Harter, Schmidt and Hayes (2002) defines employee work life balance as “the individual's involvement and satisfaction with as well as enthusiasm for work”.

A comfortable state of equilibrium achieved between an employee's primary priorities of their employment position and their private lifestyle. Thus, employee work life balance is defined as the degree to which workers feel role satisfaction and an emotional connection to the success of their business, resulting in improved productivity, innovation and retention.

3.0 Role satisfaction as a factor leading to employee work life balance

Role satisfaction is defined as the extent to which employees like their work. Based on perceptions, an employee develops a positive or negative attitude towards their role and environment. (Ellickson, M, 2002). The more a person's work environment fulfills his or her needs, values or personal characteristics, the greater the degree of role satisfaction.

Role satisfaction is defined as a pleasurable or positive emotional state resulting from the appraisal of one's role or role experiences (Locke & Henne, 1986).

Only a satisfied employee can become an engaged employee. Satisfied, loyal and productive employees create value. Employee's satisfaction in turn results primarily from high quality support services and policies that enable employees to deliver results to customers. Hence, it is

necessary to match the role with the career goals of an employee so that he or she experiences satisfaction with the role.

4.0 Rationale for the study

In the present competitive world, employees can experience frustration in the event of performance failure. So managers are always concerned with identifying ways to boost morale, increase productivity and gain competitive advantage. To support this view, Towers Perrin has found that companies with robust work life balance environment boosted operating income by 19%. Watson Wyatt reported that companies with highly engaged employees experienced 26% higher employee productivity, lower turnover risk, greater ability to attract top talent, and 13% higher total returns to shareholders over the last five years.

In the light of the above findings the Management of the Private Insurance Company (the organization under study) wanted to know the level of role satisfaction among their employees and the extent of work life balance among them so that further improvements could be made to the existing HR activities.

5.0 Objectives of the study

- To study the impact of role satisfaction on employee work life balance among employees in the company.
- To know whether the role satisfaction factors differ with the educational background the employees represent.

6.0 Literature Review

Employee work life balance and role satisfaction and their inter-relationships have been researched extensively from the academic and practitioner's perspective. An attempt is made here to highlight a few of the studies to support the present study.

The 2013 survey conducted by Glassdoor for Top 25 companies for work life balance, on a 5-point scale (Ratings based on a 5-point scale: 1= very dissatisfied, 3=OK and 5=very satisfied) reported that often employees report flexible schedules, the option to work from home, and having managers that understand life outside of work as benefits contributing to a healthy work-life balance. Such has been the outcry for work life balance that Facebook which ranked in the

top 25 every year till 2012 was missing in the Glassdoor's third annual report of Top 25 Companies for Work-Life Balance.

It is generally agreed that work-life balance is important for an individual's psychological well-being, and that high self-esteem, satisfaction, and overall sense of harmony in life can be regarded as indicators of a successful balance between work and family roles (Clark, 2000; Clarke et al., 2004; Marks and MacDermid, 1996).

However, there is a lack of consensus on how work-life balance should be defined, measured, and researched, and thus, the theorizing of what constitutes work-life balance, how it develops, and what factors enable or hinder it, is still in progress (Grzywacz and Carlson, 2007; Jones et al., 2006; Voydanoff, 2005). Greenhaus et al. (2003) have also questioned the self-evident assumption that work-family balance always leads to favorable outcomes since according to them this is an empirical question which has not yet been firmly answered due to miscellaneous definitions of work-family balance.

Meanwhile, according to Marks and MacDermid (1996), role balance is not an outcome but rather "both a behavioral pattern of acting across roles in a certain way and a corresponding cognitive-affective pattern of organizing one's inner life of multiple selves" (Marks and MacDermid, 1996, p. 421). Specifically, according to Marks and MacDermid (1996) there are two ways to engage multiple roles; as either positive or negative role balance. Positive role balance, in Marks and MacDermid's theory (cf. Barnett and Baruch, 1985), refers to the tendency to engage in every role with equally high effort, devotion, attention and care, whereas negative role balance refers to the tendency to engage in roles with apathy, cynicism, low effort and low attentiveness. Many studies aimed at identifying what contributes to satisfaction have revealed that situational context (eg. Supervisory support) as a cause of satisfaction and has argued that high – performance work practices and a positive working climate foster employee satisfaction (Bowen & Ostroff, 2004; Wright, Dunford & Snell, 2001).

A recent March 2014 HBR article 'Manage your work, manage your life', cites a survey of 4,000 executives worldwide, wherein it was observed that, senior executives discovered through hard experience that prospering at their level is a matter of carefully combining work and home so as not to lose themselves, their loved ones, or their foothold on success.

7.0 Research Methodology

The present study seeks to determine the impact of role satisfaction factors on employee work life balance was done in a Private Insurance company located in Surat, Gujarat. The organization had 120 full time employees within the zonal area of Surat, out of which 100 were male and 20 were female employees. For the purpose of the study 30 male employees were selected using systematic sampling technique. A questionnaire was prepared with 25 statements on role satisfaction and Gallup 12 statements on employee work life balance. The role satisfaction sub scale was pretested for its reliability and an alpha score of 0.76 was obtained. This questionnaire was used to collect primary data from 30 respondents through a survey. The data collected was subjected to correlation and regression analysis to satisfy the first objective of the study. An independent samples t-test was used to satisfy the second objective of the study. Based on the results suitable suggestions are given to improve employee work life balance levels.

8.0 Limitations

- The time allotted to conduct the study was seven days and hence a larger sample could not be selected.
- Certain factors such as Work environment and organization culture were not considered for this study.

9.0 Findings and Discussions

Correlation and regression analysis has been used to find the impact of role satisfaction on employee work life balance.

Correlation analysis:

	Role satisfaction	Employee work life balance
Role satisfaction	1.000	0.601 ^{1**}
Employee work life balance	0.601 ^{**}	1.000

Table 1 : Table showing correlation between Role satisfaction and Employee work life balance

The above table indicates that Role Satisfaction is related with employee work life balance with R value of 0.601 ($p < 0.01$). This means that there is 60.1% relationship between role satisfaction and employee work life balance.

^{1**}Correlation is significant at the 0.01 level (2-tailed)

Regression analysis:

Dependent variable: Employee work life balance

Independent variable	R2	Beta	t	Sig	F	Sig
Like the role	0.211	0.459	2.735	0.011	7.481	0.011
Benefits	0.305	0.552	3.501	0.002	12.259	0.002
Cooperation	0.159	0.399	2.302	0.029	5.298	0.029
Team	0.157	0.396	2.284	0.030	5.215	0.030
Company policies	0.230	0.479	2.888	0.007	8.343	0.007
Recognition for performance	0.159	0.399	2.301	0.029	5.295	0.029
Annual performance feedback	0.224	0.473	2.844	0.008	8.086	0.008

Table 2 : Table showing Regression between Factors of Role satisfaction and Employee work life balance

The above table shows that certain factors of role satisfaction have had an impact on employee work life balance.

The most important factor was the benefits offered to employees (Beta = 0.552, $p < 0.05$) that had an impact of 30.5% on employee work life balance. In their compensation package, the respondents had a sizeable percentage as financial incentives associated with performance targets. The amount was commensurate with the targets of performance. The respondents were satisfied that these incentives were on par with that offered by competitor companies in the Surat region.

Fair treatment by the management invokes trust from the employees. Sound company policies and their proper implementation provided confidence to the respondents that they would not be discriminated. This was found in the form of extent of impact of 23% on employee work life balance (Beta = 0.479, $p < 0.05$)

Annual performance feedback had an impact of 22.4% on employee work life balance (Beta = 0.473, $p < 0.05$). From the respondents it was understood that achievable performance targets are fixed and their performance is regularly reviewed by the superior who gives feedback and continuous guidance. This has given them a sense of satisfaction and assurance of growth opportunities in the future.

The role itself has been a source of satisfaction for the employees. The role content is so designed to provide challenge to the employees which motivate them to utilize the existing talent to the maximum. The respondents have indicated that they like the role they do and this had an impact of 21.1% on employee work life balance (Beta = 0.459, $p < 0.05$).

Cooperation at work from other departments makes the employees' efforts towards goal achievement more rewarding. The respondents opined that coworkers support was always available during crisis situations. Supportive co-workers have helped them in developing a feeling of belongingness to the organization. This factor of co-operation has an impact of 15.9% on employee work life balance (Beta = 0.399, $p < 0.05$).

Similarly, the factor recognition from superior had an impact of 15.9% on employee work life balance (Beta = 0.399, $p < 0.05$). According to the respondents, superiors have shown trust on the employees' potential. They provide timely feedback and appreciation for having achieved the targets in time. Many respondents have been recipients of rewards for exceptional performance.

Teamwork among peers has had an impact of 15.7% on employee work life balance (Beta = 0.396, $p < 0.05$). The nature of the respondents' role is such that they work individually most of the time. Whenever a team is formed, every team member contributes to team goals. Peer support has contributed to employee satisfaction.

The other factors such as training, long term welfare and salary had no influence on employee work life balance in the present study.

Independent samples t-test:

Education as a variable influencing Role satisfaction has not been reported so far in previous research on Employee Work life balance

Factors of Role satisfaction	Education	N	Mean	SD	SE Mean
Like the role	Graduate	18	4.0556	0.5393	0.1271
	Post Graduate	11	4.0000	0.7746	0.2335
Benefits	Graduate	18	3.8889	0.8324	0.1962
	Post Graduate	11	4.4545	0.5222	0.1575
Cooperation	Graduate	18	3.6667	0.7670	0.1808
	Post Graduate	11	4.6344	0.5045	0.1521
Team	Graduate	18	3.9444	0.6391	0.1506
	Post Graduate	11	4.0909	0.7006	0.2113
Company policies	Graduate	18	3.7222	0.7519	0.1772
	Post Graduate	11	3.9091	0.7006	0.2113
Recognition for performance	Graduate	18	3.7222	0.8264	0.1948
	Post Graduate	11	3.6364	0.8090	0.2439
Annual performance feedback	Graduate	18	3.6111	0.8498	0.2003
	Post Graduate	11	3.8182	1.0757	0.3252

Table 3 : Table showing Mean values of Role satisfaction factors

Factors of Role satisfaction		Levene's Test for equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Like the role	Equal	1.666	0.208	0.228	27	0.821
	Unequal			0.29	15.977	0.837
Benefits	Equal	0.421	0.522	-2.017	27	0.054
	Unequal			-2.249	26.947	0.033
Cooperation	Equal	1.680	0.206	-3.717	27	0.001
	Unequal			-4.104	26.776	0.000
Team	Equal	0.179	0.676	-0.578	27	0.568
	Unequal			-0.564	19.752	0.579
Company policies	Equal	0.314	0.580	-0.666	27	0.511
	Unequal			-0.678	22.479	0.505
Recognition for performance	Equal	0.027	0.871	0.274	27	0.786
	Unequal			0.275	21.643	0.786
Annual performance feedback	Equal	0.194	0.663	-0.575	27	0.570
	Unequal			-0.542	17.540	0.595

Table 4 : Table showing Mean values of Role satisfaction factors

The above table shows the results of the Independent samples t-test on variance in role satisfaction factors with education of the respondents. The p value of Levene's Test shows that the two variances did not differ significantly. The p values of the t test of all the role satisfaction factors except Cooperation are more than 0.05. The mean values of the respondents for each of the role satisfaction factors did not differ significantly. From the table it can be concluded that there is no difference between the graduates and postgraduates in role satisfaction factors. In the case of the factor Cooperation, the p value of the t test is less than 0.05. This means that the mean value of graduates (M = 3.6667) differs significantly from the mean value of post graduates (M = 4.6364). This difference is attributed to the positions occupied by these respondents. An observation into this aspect revealed that senior managers in various departments were postgraduates who were not often approached by the junior executives who were graduates.

10. Implications

The study revealed that role satisfaction has an impact on employee work life balance in the Private Insurance Company studied. The results reinforced the need for the presence of supportive superiors who would recognize and guide their juniors at workplace. Company policies that are well written and implemented without bias is an important element in enhancing employee work life balance. A challenging role which can utilize the unused potential of the employees can provide a sense of satisfaction to the employees that will lead to employee work life balance.

11. Suggestions

The study revealed that training, welfare and salary had no impact on employee work life balance. The company management has to give importance to employee development and employee well-being so that role satisfaction can be improved. Since majority of the employees are in the middle age group, they may be facing problems of career plateau. At this point, short-term training programs to enhance the skill level, new work methods can help these employees feel encouraged to continue in their work.

The basic pay can be revised based on the complexity of the roles in the current scenario. This can provide a sense of pride to the employees that their role is of importance to the organization. The management can survey the industry to know the prevailing rates for all grades of employees.

In addition to the above, two-way communication can be encouraged between the superiors and junior employees through regular meetings. This can iron out misunderstandings in the workplace. These meetings can also help clarify core values and goals of the organization.

The superiors can use performance feedback sessions to appreciate the achievements of their subordinates to boost their feeling of work life balance. It will also help in strengthening the relationship between the superior and the subordinate during work.

12. Conclusion

Role satisfaction is key to employee work life balance today. 'Balanced' employees perform exceptionally well in their roles. The present study revealed that factors such as role, benefits, recognition, cooperation, fair treatment, sound company policies, team spirit and performance management system can enhance role satisfaction in employees which will lead to employee work life balance. The present work life balance levels can be maintained and enhanced when the management takes care of employee development and well-being.

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Analysing the Impact of Cost and Credit Facility on the Use of Solar Water Heaters

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Abstract

Solar energy is a very large inexhaustible, clean and green source of energy. Solar energy could supply all the present and future energy needs of the world on a continuing basis to achieve Sustainable Development. Solar Water Heaters turn cold water into hot water with the help of sun rays. Government of India provides incentives in the form of credit/loan facility to buy Solar Water Heaters since they are costly as compared to an electric water heater. This research paper attempts to investigate and study the significance of cost and credit/loan facility on the use of Solar Water Heaters.

Key Words: *Energy Resources, Solar Energy, Sustainable Development, Solar Photovoltaic Energy, Solar Thermal Energy, Solar Water Heater*

1.0 Introduction

Energy is an important resource and one of the driving forces behind economic progress. Energy becomes an inevitable component for economic development as also for improving and maintaining the quality of life. Recent developments in energy markets show that energy security concerns are becoming more acute. These include a tightened global energy supply/demand balance, soaring energy prices, growing geo-political risks, and the emerging tendency of nationalism. The world is facing a twin energy related threats, that of not having adequate and secured supplies of energy at affordable prices and of environmental harm caused by consuming too much of it. Soaring energy prices and recent geo-political events have reminded us of the essential role affordable energy plays in economic growth and human development as well as of the vulnerability of the global energy system to supply disruptions.

Yet the current pattern of energy supply carries the threat of severe and irreversible environmental damage – including changes in global climate. Reconciling the goals of energy security and environmental protection requires strong and co-ordinated government action and a

favourable consumer attitude. G-8 leaders meeting with the leaders of several major developing countries and heads of international organizations including the International Energy Agency (IEA) at Gleneagles in July 2005 and at St. Petersburg in July 2006 called on the IEA to “advise on alternative energy scenarios and strategies aimed at a clean, clever, and competitive energy future.” This paper studies all the energy options, their pros and cons and suggests why solar energy should be used and it tries to find out the impact of cost and credit/loan facility on its use.

2.0 Objectives

This paper includes the following objectives:

- To be acquainted with the different types of Energy Resources.
- To comprehend Solar Energy and its types.
- To find out the response of buyers/prospective buyers towards the cost of Solar Water Heaters.
- To find out the response of buyers/prospective buyers towards Credit/Loan facility available to buy Solar Water Heaters.
- To determine whether Cost and Credit/Loan facility has significant impact on the use of Solar Water Heaters.

3.0 Different types of Energy Resources

There are basically two sources of energy: Renewable and Non-Renewable. Renewable energy sources can be replenished in a short period of time they are; Biomass, Hydropower, Geothermal power, Wind power, and Solar energy. Non-Renewable energy resources are those which cannot be readily replaced by natural means on a level equal to its consumption, e.g. Oil (petroleum), Natural gas, Coal and Nuclear energy. Every nation in the world has to think of alternative energy resources. As the development of any nation depends on the availability of energy resource, it has to make sure that it is available and is sustainable in nature. India’s present economic growth as stated by National Productivity Council is about 8% to 9% per year, which is causing a lot of stress on commercial energy resources, most of which are from fossil fuels. It is a well-known fact that increased use of fossil fuels is causing detrimental effect on the environment due to more green-house gas emissions in the form of carbon dioxide, sulphur dioxide and nitrogen oxide. India’s proven coal reserves are estimated to be 70 billion MT consisting of mainly low grade coal. It may last for not more than 200 years. Known oil and

natural gas reserves may last only for about 18 and 25 years respectively. India imports nearly 70% of oil requirement, with rising prices of crude oil, it is eating up a large portion of export earnings.

If we compare the options available in renewable energy resources we have following options:

- Biomass has environmental implications and its use is being examined after taking into consideration the biodiversity and pollution effect aspects. Though Biomass is a renewable fuel its use can still contribute to global warming.
- Hydropower plants installed to generate electricity also create problems like human displacements and are damaging the ecosystem. Environment concerns about the effects of reservoirs may prohibit development of hydropower.
- Geothermal energy is derived from fluids drawn from deep inside earth which carry a mixture of gases with them, notably carbon dioxide and hydrogen sulphide. When released to the environment, these pollutants contribute to global warming, acid rain, and noxious smells in the vicinity of the plant. In addition to dissolved gases, hot water from geothermal sources may contain trace amount of dangerous elements such as mercury, arsenic, and antimony which, if disposed of into rivers, can render the water unsafe to drink. Construction of the power plants can adversely affect land stability in the surrounding region. Enhanced geothermal systems can trigger earthquakes as part of the hydraulic fracturing process. The project in Basel, Switzerland was suspended because more than 10,000 seismic events measuring up to 3.4 on the Richter scale occurred over the first 6 days of water injection.
- Wind energy requires a large area of land to install wind turbines; again the intensity of the wind also fluctuates. Studies in UK have shown that if on shore turbines are placed in a straight line then an increased risk of aerodynamic modulation can occur which can result in noise nuisance to the nearby residents.
- Solar energy becomes a very good choice, reason being that it is freely available everywhere and it is a clean and quiet source of energy without any greenhouse gas emissions thus avoiding global warming. At night when there is no Sun we are required to use the energy generated and stored during the day. The use of solar energy products are not much though they have good utility, high cost of installation makes these product expensive.

4.0 What is Solar Energy?

Energy of the Sun has been used ever since humans existed on this planet. As far back as 5,000 years ago people worshipped THE SUN, 'Ra', the Sun God who was considered the first king of Egypt. In Mesopotamia, the Sun God, Shamash, was a major deity and was equated with justice. In Greece there were two Sun deities, Apollo and Helios. The influence of the Sun also appears in other religions -- Zoroastrianism, Mithraism, Roman religion, Hinduism, Buddhism, the Druids of England, the Aztecs of Mexico, the Incas of Peru, and many Native American tribes. Sun is an important star of our planet. Without it, life would not exist on this earth; we use the Sun's energy every day in many different ways, when we hang laundry outside to dry in the Sun, we are using the Sun's heat to do the work – drying our clothes. Plants use the sunlight to make food for them. Animals eat plants for food. Thus Sun becomes an important component for living beings. Fossil fuels such as coal, oil, and natural gas are also formed due to decaying of plants hundreds of millions of years ago due to sunlight. Indirectly the Sun or other stars are responsible for all our energy. Even Nuclear energy derived is from a star because the uranium atoms used in nuclear energy were created from the deposits of an exploded star- Nova. Thus Solar energy i.e. energy derived from Sun, becomes an important source of energy in today's world when the conventional sources of energy i.e. coal , oil, natural gas, are depleting and one needs to seriously think about the non-conventional sources of energy which are renewable and also help in sustainable development. Sustainable development was defined by the United Nations World Commission on Environment and Development in the 1987's Brundtland Report as *“those paths of social, economic and political progress that meet the needs of the present without compromising the ability of future generations to meet their own needs.”*

Thus Solar energy being a non-conventional source of energy can be one of the renewable energy sources which is received free of cost from the Sun; becomes important and inevitable.

Solar energy can be used in the following two ways:

Solar Photovoltaic Energy (Light energy):

It is the direct conversion of sunlight into electricity. Sunlight is converted into electricity using photovoltaic or solar cells. Photovoltaic (PV) cells are semi-conductor devices, usually made of silicon, which contain no liquid, corrosive chemicals or moving parts. They produce electricity as long as they are exposed to light. They require little maintenance, do not pollute environment and they operate silently, thus making photovoltaic energy the cleanest and safest method of power generation. Through the solar photovoltaic route, solar home lights, solar street lights,

solar generators, solar lanterns, solar traffic lights, solar road studs, solar blinkers and so on are the most common devices and systems that are being widely used.

Solar Thermal Energy (Heat energy):

It is a technology for harnessing solar energy for thermal (heat) energy. Solar thermal collectors are flat plates generally available as low, medium or high temperature collectors. Low and medium temperature collectors are generally used for water heating for residential and commercial purposes. High temperature collector concentrates sunlight using mirrors or lenses and is generally used for production of electric power. Solar thermal energy can also be used for water heating, air heating, cooking, drying of agricultural and food products, distillation of water, water purification, and detoxification of waste, cooling and refrigeration, process heat for industry and electricity generation.

5.0 Solar Water Heaters (SWHs)

India being a tropical country is blessed with Solar Energy in abundance at no cost. The solar radiations incident on the surface of the earth can be conveniently utilized for the benefit of society. One of the popular devices that harness the solar energy is Solar Water Heating System (SWHS). A solar water heater consists of a collector to collect solar energy and an insulated storage tank to store hot water. The solar energy incident on the absorber panel coated with selected coating, transfers the heat to the riser pipes underneath the absorber panel. The water passing through the riser gets heated up and is delivered in the storage tank. The re-circulation of the same water through absorber panel in the collector raises the temperature to 80^o C (Maximum) on a good sunny day. The total system with solar collector, storage tank and pipelines is called solar hot water system. Broadly, the solar water heating systems are of two categories. They are 'closed loop system' and 'open loop system'. In the first one, heat exchangers are installed to protect the system from hard water obtained from bore wells or from freezing temperatures in the cold regions. In the other type, thermosyphon or forced circulation system, the water in the system is open to the atmosphere at one point or the other. The thermosyphon systems are simple and relatively inexpensive. They are suitable for domestic and small institutional systems, provided the water is treated and potable in quality. The forced circulation systems employ electrical pumps to circulate the water through collectors and storage tanks. The choice of system depends on heat requirement, weather conditions, heat transfer fluid quality, space availability, annual solar radiation, etc. The SWH systems are economical, pollution

free and easy for operation in warm countries like India. Based on the collector system, solar water heaters can be of two types:

Flat Plate Collectors (FPC) based Solar Water Heaters:

The solar radiations are absorbed by Flat Plate Collectors as seen in Figure 1, which consist of an insulated outer metallic box covered on the top with glass sheet. Inside there are blackened metallic absorber (selectively coated) sheets with built in channels or riser tubes to carry water. The absorber absorbs the solar radiations and transfers the heat to the flowing water.

Evacuated Tube Collectors (ETC) based Solar Water Heaters:

In Figure 2, we see Evacuated Tube Collector, made up of double layer borosilicate glass tubes evacuated for providing insulation. The outer wall of the inner tube is coated with selective absorbing material. This helps absorption of solar radiation and transfers the heat to the water which flows through the inner tube.



Figure 1 : Source: Ministry for New & Renewable Energy, Government of India



Figure 2 : Source: Ministry for New & Renewable Energy, Government of India

6.0 Review of Literature

Vipradas (2001) in *Renewables - Products and Markets* a compilation of papers edited by him states that wide acceptance in the society regarding the inter-linkages among environment, poverty, and sustainable development forces our attention to technological solutions that address the needs of today without producing any negative externalities. It is in this regard that RET's (renewable energy technologies) have gained immense popularity. The editor further emphasizes that

technology and installations have to be provided with due regard to replication and integration into long-term development strategies. This, in turn, necessitates the spread of these technologies through market channels requiring the provision of a maintenance and after-sales servicing infrastructure. A paper presented by *Amit Kumar* on Solar pond technology states that solar pond technology is one such renewable energy option that offers various cost-effective end-uses without endangering the environment. Salinity gradient solar ponds in suitable locations are essentially low-cost solar collectors with integrated storage and, hence are potentially cheaper alternatives to flat plate collector system

International Energy Agency (IEA), (2006) *World Energy Outlook* published by, IEA which is an autonomous body established in November 1974 within the framework of the Organization of Economic Co-operation and Development (OECD) to implement an international energy programme. IEA aims at improving the world's energy supply and demand structure by increasing the efficiency of energy use. It basically stresses more on how to improve system for coping with oil supply disruptions. The book states that the world is facing twin energy- related threats; that of not having adequate and secure supplies of energy at affordable prices and that of environmental harm caused by greenhouse gas emissions by consuming too much of it. The current pattern of energy supply carries the threat of severe and irreversible environmental damage- including change in global climate. It also states that reconciling the goals of energy security and environmental protection requires strong and co-ordinated Government action and public support. Thus IEA stresses more on the use of non – conventional use of energy resource thus solar energy being one of them becomes inevitable.

The Energy Resource Institute i.e. TERI, (2007) *Energy Data Directory year book* states that PV (photovoltaic) technology was initially developed during the late 1950's to provide long term reliable power for satellites. Companies began to offer PV technology for commercial application in the mid- 1970s. India has a PV manufacturing history of more than two decades. Production of SPV (solar photovoltaic) cells has grown at an average rate of 28%/per annum during 1996-2005, while solar module manufacturing has grown at an average rate of 30% during the same period. The SPV systems are being promoted in India primarily for rural and remote applications. A 2.9MW system based on SPV is feeding power to the grid. The decentralized systems are solar power plants, with mini grids, solar home lighting systems, solar lanterns, and solar street lights. However in terms of contribution, the percentage of total amount of electricity generated in India is very small owing to very small installed capacity – about 87MW compared to total power generation capacity of 12,736 MW. The target for Eleventh Five – year Plan period, that is till 2012, is to add about 50 MW of SPV systems (includes both off-grid and grid-

connected SPV systems). Financial assistance is provided as per the provisions under various schemes by Ministry for Non Renewable Energy (MNRE).

Pandey, (2007) in the book titled, *Environmental Management* states in the chapter on Renewable Energy Resources, that energy potential of a nation has direct correlation with economic growth and prosperity. The stage of development is well reflected by the per capita energy consumption of a country. The deepening energy crisis, with which the world community is confronted, has led to the formulation of an energy policy framework within which the rate of growth and pattern of energy consumption could be regulated. In this context, a transition may be considered necessary. The required transition is to shift from fossil and non – renewable sources such as petroleum, coal, and uranium to renewable energy sources. Thus solar energy will play an important role in managing various energy related problems.

Uberoi, (2007) in his book on *Environmental Management* states that, Energy is an essential need for human existence. There is shortage of energy due to fast depletion of fossil fuels and the increase in demand for energy due to the increase in population and the growth of industry. The energy demands are increasing while conventional energy sources are diminishing at a much faster rate. The rising energy demand has resulted in the setting up of more power plants which are based primarily on fossil fuel (coal, oil, gas). The fossil fuels based plants not only emit green house gases like Carbon dioxide (CO₂) but also generate fly-ash which is dangerous to human health. Hydro plants have also been installed to generate energy but these plants also create problems like human displacement and are damaging the ecosystem. The nuclear option comes with its own set of problems. Uncertainties surrounding the safety and economics of radioactive waste disposal and decommissioning remain. The recent mishap at Tokaimura, Japan shows that the danger of a nuclear accident is still very real. The use of biomass again should be equated with rate of consumption. The use of solar energy can be another very good option for renewable energy resource. It is freely available and a very clean and quite source of energy generation. The author further states that the Government at the centre and at the State level and their agencies should become proactive vis-à-vis environment. The environmental problems cannot be tackled without a sound proactive policy by the Government. Intervention of the Government is required on continuing basis and not on one-time legislation and its implementation. Corporate behavior can be regulated or altered through state policies. The policies of Government can shape the role of companies and that of the managers for the larger interest of society. The corporate world in India, under new economic order of liberalization and globalization has to increase its share of world trade and in this effort one major impact of rising trades would be on environment and resources. The business world internationally has begun to

acknowledge that environment is playing an important role in all facets of business. A survey by Mckinsey and company revealed that: (1) 92% of CEO's believe that environment should be top management priority; (2) 35% CEO's believe that their companies have adopted strategies to anticipate impacts of environment on business. Thus environment management is gaining a lot of momentum in today's corporate world.

Very less has been found and done in the area of solar energy products. Thus there is not much literature available for the review.

Solar water heating is now a mature technology. Wide spread utilization of solar water heaters can reduce a significant portion of the conventional energy being used for heating water in homes, factories and other commercial and institutional establishments. Internationally, the market for solar water heaters has expanded significantly during the last decade. When one compares the cost of conventional electric water heater with solar water heater, there is huge difference in the cost. The cost of 100 Litre Per Day (LPD) solar water heater is somewhere around Rs. 15,000 to Rs. 18,000 but a 2.5 litre electric water heater costs somewhere around Rs. 3,500 to Rs. 4,000 only. When we calculate the pay-back period of solar water heater it comes out to be for three to four years after which the usage of solar water heaters is free of cost and there are no utility bills.

Government provides Credit/loan facility at 5% interest for buying solar energy products. As per IREDA (2013), [Online], "Indian Renewable Energy Development Agency Limited (IREDA) was incorporated on 11th March, 1987 as a Public Limited Government Company under the Indian Companies Act, 1956 and it promotes, develops and extends financial assistance for Renewable Energy and Energy Efficiency/Conservation Projects.

- IREDA has been notified as a 'Public Financial Institution' under section 4 'A' of the Companies Act, 1956 and registered as Non-Banking Financial Company (NFBC) with Reserve Bank of India (RBI).
- IREDA's mission is to be a pioneering, participant friendly and competitive institution for financing and promoting self-sustaining investment in energy generation from Renewable Sources, Energy Efficiency and Environmental Technologies for sustainable development.
- One of the main objectives of IREDA is to give financial support to specific projects and schemes for generating electricity and / or energy through new and renewable sources and conserving energy through energy efficiency.

7.0 Research Methodology

This research paper tries to find out, the impact of cost and credit/loan facility on the use of solar water heaters among people of Mumbai, India. The study was conducted in the city of Mumbai and its suburbs. Data was collected through personal interviews, telephonic calls, and emails. Questionnaire was distributed amongst eighty six respondents out of which seventy were considered complete. The respondents were questioned regarding the awareness about cost and credit/loan facility for solar water heaters. They were asked to rate their response on a five point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). Respondents consisted of Private Residential Owners, Co-operative Societies, New constructions, Hospitals, Industries, Hotels, Education Institutions, Public Utilities, Places of Worship, and Recreation Centres.

8.0 Scope and Limitations of the Study

This study is restricted to the city of Mumbai and its suburbs. The study focuses only on Solar Water Heaters, other solar products such as Solar Lanterns, Solar Inverters, Solar LED Lights, etc are excluded.

Only two factors, i.e. cost and credit/loan facility which influenced the use of Solar Water Heaters was taken into account for this study, other factors which might influence the use of Solar Water Heaters such as Product Availability, After Sale Service and Government Incentives/Subsidies etc. are not considered.

9.0 Hypotheses of the Study

H₀ : There is no significant impact of high cost of installation on the use of Solar Water Heaters.

H₁ : There is significant impact of high cost of installation on the use of Solar Water Heaters.

H₀ : Credit/Loan facility has no significant impact on the use of Solar Water Heaters.

H₁ : Credit/Loan facility has significant impact on the use of Solar Water Heaters.

10.0 Findings

The analyses of the data collected were done under **Mann Whitney Wilcoxon Test** and accordingly interpretations/conclusions were made. Table 1 shows the number of users and non users of solar water heaters. It can be noted that among seventy respondents only eleven were using solar water heaters, fifty nine respondents did not use them.

Users	Response	Frequency	Percentage
Solar Water heater	YES	11	15.71
	NO	59	84.29

Table 1 : Number of Users and Non Users of Solar Water Heaters.

Particulars		Yes	No	Don't Know
Inquiry about the cost	Frequency	37.00	32.00	1.00
	Percentage	52.86	45.71	1.43
High cost	Frequency	49.00	7.00	14.00
	Percentage	70.00	10.00	20.00
Availability of credit facility	Frequency	16.00	10.00	44.00
	Percentage	22.86	14.29	62.86
Buy if credit facility is available	Frequency	50.00	12.00	8.00
	Percentage	71.43	17.14	11.43

Table 2 : Awareness about High Cost & Credit/Loan Facility for Solar Water Heaters

From Table 2 one can observe that only 52.86% of the respondents inquired about the cost of solar water heaters, 70% respondents were aware about its high cost. Only 22.86% of respondents were aware about the availability of credit/loan facility; 14.29% said that such facility does not exist and 62.86% respondents did not know about it. 71.43% respondents agreed that they would buy solar water heater if credit/loan facility is provided, 17.14% refused to buy solar water heater even if credit/loan facility is provided and 11.43% respondents did not know whether such incentives would make them buy solar water heater.

Particulars	Solar Water Heaters					
	Buyers	Non-Ignorant	p-value (z)	Z-Statistic	Decision	Conclusion
Cost is high	11	57	0.8825	-0.1478	Accept H_0	There is NO Significant Difference between USER and NOT-IGNORANT NON USER
Credit/Loan facility is available	11	57	0.001	-3.2996	Reject H_0	There is Significant Difference between USER and NOT-IGNORANT NON USER

Table 3 : Mann Whitney Wilcoxon Test Result

From the Table 3, it can be seen that, out of seventy respondents, eleven were users and fifty seven were non-users, who are aware (non-ignorant) of the solar water heaters and two were totally ignorant about the solar water heaters. Responses of totally ignorant were not included.

Following conclusions are made using Mann Whitney Wilcoxon Test:

COST:

We accept:

H₀ : There is no significant impact of high cost of installation on the use of Solar Energy Products.

High cost of solar water heaters does not significantly affect its use.

(p-value=0.8825).

CREDIT/ LOAN FACILITY:

We reject:

H₀ : Credit/Loan facility has no significant impact on the use of Solar Energy Products.

Stronger the agreement with 'AVAILABILITY OF CREDIT/LOAN FACILITY FOR THE PURCHASE OF SOLAR WATER HEATERS' higher is the probability of using it. (p-value=0.001).

11.0 Recommendations

From the analyses of data one can interpret that though the cost of solar water heater is high it will not significantly affect its use. Availability of Credit/Loan facility will help the prospect to buy and use this product. Majority of the respondents in Mumbai were not aware of Credit /Loan facility. Prospects are to be made aware of the Credit /Loan facility available to buy this product. The banks and financial institutions can play an active role in promoting the availability of Credit/Loan facility. The manufacturers/suppliers should inform the prospects about it. Heavy promotion about the credit/loan facility has to be made. The Finance Ministry and Reserve Bank of India (RBI) will play an important role in this regard; various Qualitative and Quantitative measures can be used by them through Commercial banks to attract more and more people to use solar water heaters.

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Determining Historical Volatility in Emerging Markets using Advanced GARCH Models

Bhaskar Sinha^{xi}

Abstract

This paper models the volatility present in the historical returns in the stock of the two major national indices of India. Sensitive Index or Sensex related to Bombay Stock Exchange (BSE) and Nifty associated with National Stock Exchange (NSE). The objective is to model the phenomena of volatility clustering and persistence of shock using asymmetric GARCH family of models. Research showed that EGARCH model successfully models the Sensex (BSE) data whereas it is GJR-GARCH which was able to explain conditional variance in the returns from Nifty (NSE).

Key Words: Sensex, Nifty, EGARCH Model, GARCH family of Models

1.0 Introduction

An efficient market is one which fully and instantaneously reflects all available relevant information in the share price. According to (Fama, 1970), there are three forms of market efficiency based on the information dissemination. These forms – weak form, semi-strong form and strong form – have been tested in various equity markets, both in developed and emerging markets. However most of the studies have attended to the weak form of efficiency which proposes that current stock prices reflect all information contained in past stock prices. This implied that no investor can consistently earn abnormal returns from trading based on historical prices.

The weak form efficiency hypothesis has been tested in developed markets in abundance. For example, (Fama, 1965) did it for U.S., (Dryden, 1970) for U.K., (Andersen & Bollerslev, 1997) for 8 European markets. Also, (Conrad & Juttner, 1973) for Germany, (Jennergren & Korsvold, 1975) for Norway and Sweden. Similarly some of the Asian markets were also taken under study, such as (Lawrence, 1986) for Malaysia and Singapore. These studies provided inconclusive results. The developed markets, e.g., U.S and some European markets were found to be weak form efficient. However, evidence from emerging markets indicated rejection of the

weak form of hypothesis. Can we say that the returns in such markets followed predictable trends?

Besides efficiency, it is the volatility prevailing in the market which influences the return distributions. The issue of volatility has gain prominence in the emerging markets like India as they move towards a trading scenario which aims to restrict the return distribution within resistance level.

Date/month/year	Landmarks
03-Nov-94	Electronic trading incorporated in NSE
13-Dec-94	Ban on "badla" in Indian market
Mar/Jul 1995	Electronic trading commences in BSE
17-Jun-95	Circuit filter system adopted by NSE
05-Oct-95	Ban on "badla" revised
Apr /Nov 1996	NSCC & NSDL (Depositories) commences their operation
1999	Securities Law amended to enable derivatives trading
Dec-99	Rolling settlements system introduced
12-Jun-00	Start of equity index futures trading
04-Jul-01	Equity index options trading commences
02-Jul-01	Carry forward trade was abolished

Table 1 : Major Landmarks which impacted stock market during the time period of the study

Volatility of returns in India became more prominent due to some crisis which challenged the trust and “interest” of the smaller investors and raised some microstructure issues.

Year	Events (stock market crisis)	Amount involved (INR)
1992	Harshad Mehta: the market went up by 143% between Sept 91 & Apr 92	Rs. 54 Billion
1994	M.S.Shoes: (Pawan Sachdeva) manipulated the share prices before a Rights issue	Rs. 170 Million
1995	Sesa Goa, Rupangi Impex & Magan Industries Ltd	Rs. 61.8 Million
1997	CRB Group: C.R. Bhansali	Rs. 7 Billion
1998	Involving BPL, Videocon, Sterlite stocks	Rs. 0.77 Billion
2001	Ketan Parekh (K10 stocks)	Rs. 1 Billion

Table 2 : Events impacted stock markets

The author tried to address this issue in this study.

Volatility, to describe without a specific implied metric, is the variability of the random (unforeseen) component of a time series. It can be used to measure specific risk of a single

instrument or the risk associated with an entire portfolio of instruments. Stock return volatility measures the random variability of the stock returns. More specifically, it is the standard deviation of daily equity returns around the mean value and the stock market volatility is the return volatility of the aggregate market portfolio.

The seminal work of (Engle, 1982) where he introduced the concept of Autoregressive Conditional Heteroscedasticity (ARCH) became a very powerful tool in the modeling of financial data in general and stock returns in particular. Compared to conventional time series models, ARCH models allowed the conditional variances to change through time as functions of past errors. First approach was to improve the univariate ARCH model with an alternative specification of the variance function. One improvement was introduced by (Bollerslev, 1986) where the Generalized Autoregressive Conditional Heteroscedasticity (GARCH) process was presented. Further, the Integrated GARCH (IGARCH) of (Engle & Bollerslev, 1994) and the exponential GARCH (EGARCH) by (Nelson, 1991) were prominent one where re-specification of variance equation was studied.

However, the magnitude of empirical research on stock return volatility in emerging markets like India was not abundant. While Roy and (Karmakar, 1995) focused on the measurement of the average level of sample standard deviation to examine whether volatility has increased, (Goyal, 1995) used conditional volatility estimates, as suggested by (Schwert, 1989), to identify the trend in volatility. He also studied the impact of carry forward system on the level of volatility. ARCH/GARCH models have been used by (Thomas, 1995, 1998), (Pattanaik & Chatterjee, 2000) to model the volatility in Indian financial market.

The research objective of this paper was to understand the return data (inter-day) of securities & see if asymmetric GARCH models can explain persistence of shock and volatility.

2.0 Research Design

The study spanned the period from March 1995 through March 2005. Reason being major changes were brought about in the structure and functioning of the Indian stock market during those years. The sample population of the study consists of the daily returns of the two most prominent domestic indices, viz., Sensex and Nifty. These market indices were fairly representative of the various industry sectors.

The daily stock price data on Sensex and Nifty were downloaded from PROWESS, the online database maintained by the Centre for Monitoring of Indian Economy (CMIE). Daily opening,

high, low and closing prices of the two indices were considered for the period of study. These equity prices were adjusted for bonus and right issues.

The daily stock prices were converted to daily returns. Logarithmic difference of prices of two successive periods was used to determine the rate of return.

3.0 Methodology

Ordinary regression model assumed homoscedasticity (errors have same variance throughout). If the error variance was not a constant, the data were said to be heteroscedastic. Heteroscedasticity in stock returns are well documented (Fama, 1965; Bollerslev, 1986). Studies found that the stock returns were characterized by auto correlation in the returns, serial correlation in the square of return values indicating volatility clustering, negative asymmetry in the distribution of returns and Leptokurtosis in the distribution of returns (thicker tails compared to a normal distribution).

The ARCH and the GARCH family of models assumed conditional heteroscedasticity with homoscedastic unconditional error standard deviation. That is, the changes in variance were a function of preceding errors and represent temporary and random departures from a constant unconditional variance. The advantage of ARCH/GARCH family of models was that it captures the tendency in financial data for volatility clustering.

The mean return was modeled as an AR (Auto Regressive) (p) process. This required testing for stationarity of the series to imply that mean and covariance of the return distribution were time independent. This was done using the unit root test. Then an AR model was fitted to the data generating process as suggested by (Box & Jenkins, 1976). Finally, the conditional variance was modeled as a symmetrical or asymmetrical GARCH process.

4.0 Tests, Results and Analysis

Diagnostic Tests

A visual examination of the plot of daily returns on Sensex [Figure #6] showed that returns continuously fluctuated about the mean value that was close to zero.

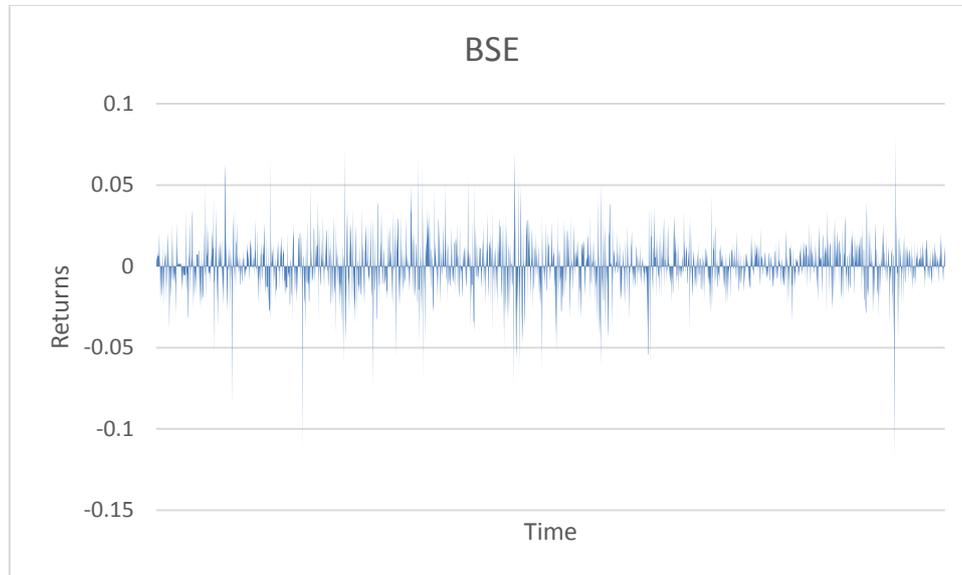


Figure 1 : Fluctuation of Returns about the Mean

The return movements were both in positive and negative territory. Larger fluctuations tend to cluster together and were separated by periods of relative calm. This was in accordance with (Fama's, 1965) observation of "volatility clustering".

Descriptive statistics (Table #7) for both Sensex and Nifty returns showed skewness statistic of daily returns different from zero which indicated that the return distribution was asymmetric. Furthermore, relatively large excess kurtosis suggested that the underlying data was leptokurtic (heavily tailed and sharp peaked). The Jarque – Bera statistic calculated to test the null hypothesis of normality rejected the normality assumption.

Statistics	Sensex(BSE)	Nifty(NSE)
Observation period	Mar-95/MAY-04	MAR-95/May-04
Number of observations(I)	2134	2134
Mean	0.00348	0.00012
Standard Deviation	0.017298	0.016963
Skewness	-0.1236	-0.43147
Excess Kurtosis	2.8353	3.973548
Jarque-Bera statistics	621.7(2 tailed p=0.00)	1470.126(2 tailed p=0.00)
Q(1)a	26.42(2 tailed p=0.00)	6.37(2 tailed p=0.00)
Q2(1)b	117.26(2 tailed p=0.00)	65.48(2 tailed p=0.001)

ARCH LM statistic (at lag =1) ACFd at lag = 1for returns	129.35 0.11 (Asymptotic bound =0.042)	117.64 0.078(Asymptotic bound =0.042)
ACF at lag = 1for squared returns	0.27(Asymptotic bound =0.042)	0.168(Asymptotic bound =0.042)

Table 3 : Descriptive Statistics of Daily Returns

Notes

Q1(K) is the Ljung Box statistic identifying the presence of first order autocorrelation in the returns. Null hypothesis: no autocorrelation. Distributed as chi-square (K).

Q2(K) is the Ljung Box statistic identifying the presence of first order autocorrelation in the squared returns. Null hypothesis: no autocorrelation, distributed as chi-square (K).

ARCH LM statistic is the Lagrange Multiplier test statistic for the presence of ARCH. Null hypothesis: no heteroscedasticity, distributed as a chi-square (K). Critical value at 1 per cent level of significance is 6.63 at 1 degree of freedom. Values for other higher lag are also significant. ACF is autocorrelation function for returns and squared returns respectively.

Both the indices appeared to have strong autocorrelations in one-day lag returns with significant coefficient. Also, the autocorrelation in the squared daily returns suggested presence of clustering. The result rejected the independence assumption for the time series of given data set. Stationary of the return series were tested by conducting both Dickey-Fuller and Phillip-Peron tests. Results of both the test confirmed that the series are stationary.

Augmented Dickey Fuller Tests			number of lags = 42		
Null Hypothesis	Test Statistic		MacKinnon critical value @ 10% C.I.	Asymptotic	
	Sensex	Nifty			
constant=0	-7.926	-6.566	-1.6157		
intercept =0	-7.927	-6.566	-2.59		
constant=0					
trend coeff. =0	-7.012	-6.334	3.22		
intercept =0					
constant=0					
Phillip Perron Tests			Truncated lags = 6 (Nifty) & 7 (Sensex)		
Null Hypothesis	Test Statistic		MacKinnon critical value @ 10% C.I.	Asymptotic	
	Sensex	Nifty			
intercept =0	-47.56	-39.396	-2.59		
constant=0					
trend coeff. =0	-39.97	-36.737	3.22		
intercept =0					
constant=0					

Table 4 : Unit Root Testing for Daily Returns

Application of Box-Jenkins Methodology

For both the indices the autocorrelation function (ACF) and partial autocorrelation function (PACF) were determined. Ljung-Box-Pierce Q statistic was highly significant [refer Table #7] which confirmed the presence of first order correlation in the series. The existence of a leptokurtic distribution, presence of volatility clustering and changing conditional variance suggested an ARCH or GARCH process, which was confirmed by computing the value of Lagrange Multiplier (LM).

Modeling Volatility

Volatility Behavior

Preceding section revealed that the volatility of the indices might follow an ARCH process. However we begin with a commonly used volatility estimator – the extreme value volatility estimator, as proposed by (Garman & Klass, 1980) [Equation #1]. This estimator was based on the best analytic scale invariant estimator which made use of the intraday values - opening, closing, high and low. The Garman & Klass estimator values obtained for Sensex. (Here, n=1) showed a change in volatility [refer figure #7].

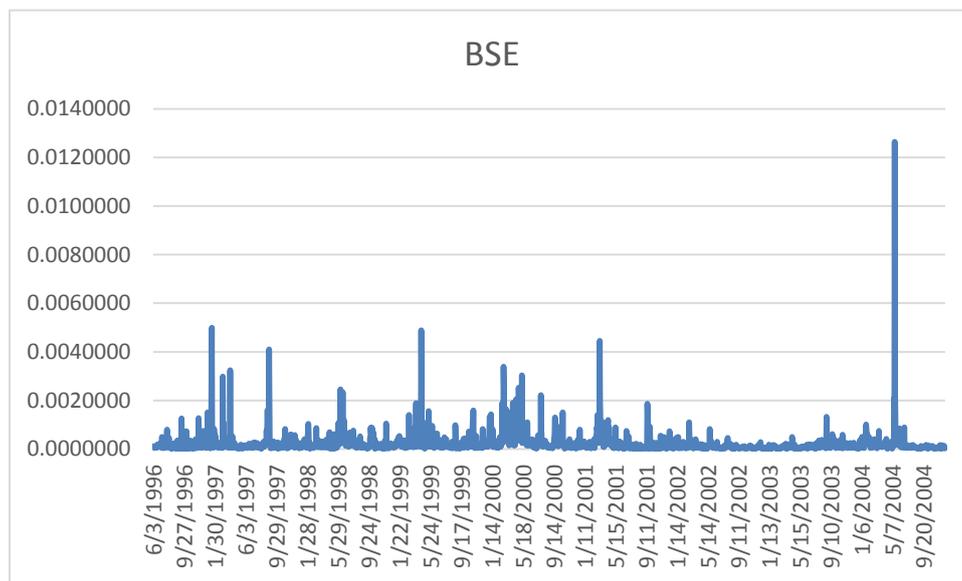


Figure 2 : Estimated volatility of BSE Sensex returns (GK estimator)

Model Specifications

There was a significant presence of ARCH effect in the residuals of the fitted AR (1) return generating process. Also, the volatility estimators indicating graphically of volatility clustering led us to the next step of modeling. The conditional variance of the residual was modeled as an ARCH (Q) process with the mean return governed by AR(1) process. [Refer Equation #2 below].

$$r_t = a_0 + a_1 r_{t-1} + \epsilon_t$$

$$\epsilon_t / \psi_{t-1} \sim N(0, h_t)$$

$$h_t = a_0 + \sum_{i=1}^q a_i \epsilon_{t-i}^2$$

with $a_0 > 0$ and $a_i \geq 0, i = 1, 2, \dots, q$

where, ψ_{t-1} is the set of information available at time t-1.....Eq # 2

Equation 3

In all the cases, ARCH parameters were significant. The ARCH parameters were insignificant from ARCH (8) onwards in the case of Sensex and ARCH (6) for Nifty. The model was selected on the basis of highest log-likelihood values and minimum AIC (Akaike Information Criterion) and the SBC (Schewart's Information Criterion) values [shown in Table #9 and Table #10 for Sensex].

AIC								
p/q	0	1	2	3	4	5	6	7
0	-5.316	-5.3145	-5.313	-5.3114	-5.3099	-5.3083	-5.3068	-5.3053
1	-5.205	-5.2273	-5.2496	-5.2719	-5.2942	-5.3166	-5.3389	-5.3612
2	-5.225	-5.2531	-5.2325	-5.2356	-5.2387	-5.2418	-5.2449	-5.2148
3	-5.2449	-5.2789	-5.2317	-5.1844	-5.2915	-5.2561	-5.2207	-5.1854
4	-5.2649	-5.3047	-5.22	-5.1432	-5.3442	-5.2704	-5.1966	-5.1227
5	-5.2849	-5.2781	-5.2713	-5.2645	-5.2576	-5.2508	-5.2144	-5.2372

Table 5 : Information criteria for BSE Sensex Return AR (p) – ARCH (q) models

SBIC								
p/q	0	1	2	3	4	5	6	7
0	-5.1447	-5.1269	-5.1261	-5.1278	-5.126	-5.125	-5.1452	-5.3214
1	-5.1536	-5.1358	-5.1305	-5.1353	-5.1402	-5.145	-5.1254	-5.3415
2	-5.1504	-5.1447	-5.1349	-5.1429	-5.1543	-5.165	-5.1756	-5.3417
3	-5.1553	-5.1536	-5.1393	-5.1504	-5.1685	-5.185	-5.2015	-5.3124
4	-5.1581	-5.1625	-5.1437	-5.1579	-5.1826	-5.205	-5.2273	-5.313
5	-5.1609	-5.1714	-5.1481	-5.1655	-5.1968	-5.225	-5.2531	-5.3136

Table 6 : Information criteria for BSE Sensex Return AR (p) – ARCH (q) models

We select AR(1) – ARCH (7) process for the Sensex and AR(1) – ARCH (5) for Nifty as the representative of the conditional volatility process.

The autocorrelation function (ACF) and the partial autocorrelation function (PACF) of the squared residual series were examined as a diagnostic on the appropriateness of the ARCH process. It was found that although the estimated ACF of the squared residual series seemed to decay as the lag increased, the PACF did not become zero after seven lags for Sensex and five lags for Nifty. Therefore, as far as the ACF and PACF are concerned, the data do not fully agree with a pure ARCH process.

We now fit the GARCH models to the daily return series. [Equation # 2].

$$h_t = \omega + \sum_{i=1}^q \alpha_i \epsilon_{t-i}^2 + \sum_{j=1}^p \beta_j h_{t-j}$$

$$\epsilon_t / \psi_{t-1} \sim N(0, h_t) \dots \dots \dots Eq. \#3$$

Equation 4

We found all the parameters in the GARCH (1, 1) model were significant. Also the model favored GARCH (1, 1) process as it had a lower AIC and SBC criteria for a comparable log – likelihood function. [Refer Table #11]. As for the stationarity of the variance process, it was observed that $\alpha_1 + \beta_1$ is 0.9752 for Sensex and 0.9577 for Nifty respectively. This is less than unity indicated no violation of any stability condition. However, the sum was rather close to one which indicated a long persistence of shocks in volatility.

Also, (Lamoureux & Lastrapes, 1990) had proposed a half-life period of a shock to the variance. Half-life period is that period in which the shock diminishes to half of its original size. The half-life for the GARCH (1, 1) process [refer equation #3]

Half Life, as determined by:

$$H_f = 1 - [\ln 2 / \ln(\alpha + \beta)] \dots \dots \text{Eq. 3}$$

was 23.75 days for Sensex and 17.04 days for Nifty. It meant that any bad or good news did have a long lasting and significant impact on the volatility of the prices.

Asymmetrical Response to the Arrival of News

(Schwert, 1989) and (Black, 1976) had shown that the returns are negatively correlated with volatility. This implied that the returns were more volatile in response to bad news compared to the good news. Differential approach to the information is not captured in the symmetrical GARCH model. A separate modeling techniques need to be used to capture the asymmetric response as suggested by (Engle, Ng & Rothschild, 1990).

Estimating the GJR – GARCH and the EGARCH (exponential GARCH) and testing the significance of the asymmetric terms was considered to test the asymmetric effects.

The GJR-GARCH Model

The GJR- GARCH model was introduced by (Glosten, Jagannathan, & Runkle, 1993). The specification for the conditional variance is given in equation #3 below.

$$h_t = \omega + \sum_{i=1}^q \alpha_i \epsilon_{t-i}^2 + \sum_{i=1}^q \omega_i I_{t-i} \epsilon_{t-i}^2 + \sum_{j=1}^p \beta_j h_{t-j}$$

where, $I_{t-i} = \begin{cases} 1 & \text{if } \epsilon_{t-i} \leq 0 \\ 0 & \text{if } \epsilon_{t-i} > 0 \end{cases}$

Equation 5

In this model the good and bad news had differential effects on the conditional variance. Good news have the influence of α , while the bad news have the influence of $(\alpha + \omega)$. If $\omega > 0$, we could say that the leverage effect exists while news is asymmetric when $\omega \neq 0$. The outcome of the model (refer Table #11) showed that the parameters in the variance equation was significant. The leverage term was highly significant both for Sensex (0.09515) and Nifty (0.0897). The assumption that positive and negative shocks have different impact on the volatility of daily returns was reinforced. The AIC and the SBC of this model were lower compared to the GARCH (1, 1) model and also had a higher log likelihood value.

The EGARCH Model

The EGARCH model was proposed by (Nelson, 1991). The specification for the conditional variance is presented in equation #4 here:

$$\ln h_t = a_0 + \sum_{i=1}^q a_i \left[\theta z_{t-i} + \gamma (|z_{t-i}| - \sqrt{2/\pi}) \right] + \sum_{j=1}^p \beta_j \ln(h_{t-j}) \dots \dots \text{Eqn\#6}$$

where, $z_t = IID(0,1)$

Equation 6

The left-hand-side of the equation has the log of the conditional variance hence the leverage effect is exponential rather than quadratic. Therefore, the forecast of the conditional variance were guaranteed to be non-negative. [Refer Table #11 for EGARCH estimation].

	BSE – Sensex			NSE – Nifty		
	GARCH (1,1)	EGARCH (1,1)	GJR-GARCH (1,1)	GARCH (1,1)	EGARCH (1,1)	GJR-GARCH (1,1)
C	0.000648(0.000)	0.0521(0.000)				
	0.0551(0.000)			0.000751(0.000)	0.0825	0.0957
α_0	0.00000064(0.0008)	-0.1798	0.1605	0.00000314(0.0002)	-0.1189	0.1868
α_1	0.062409(0.000)	0.2965	0.1527	0.055409(0.000)	0.05447	0.06483
β_1	0.912815(0.000)	0.9217	0.7988	0.902315(0.000)	0.9328	0.8326
$\beta_1 + \alpha_1$	0.975224			0.95772		
Ω		-0.052			-0.065	
J[(Res<0)*ARCH(1)]			0.09515	0.089743		
Log likelihood	5785.784	-5682.246	-5589.231	5785.784	-5458.357	-5684.216
AIC	-5.54127	-5.5621		-5.54127	-5.4781	-5.6579
	-5.5528			-5.538487	-5.4958	-5.5962
SBIC	-5.538487	-5.5633	-5.5488			

Table 7 : Coefficients of Symmetric and Asymmetric GARCH Models – Sensex & Nifty

We found all the coefficients were significant for both Sensex (-0.052) and the Nifty (-0.065). The leverage term was negative and statistically different from zero indicating the presence of leverage effect for the stock market returns during the sample period. The log likelihood was higher and the AIC and the SBC were lower compared to GARCH (1, 1) model for both the indices.

The GJR-GARCH model and the EGARCH model outperformed the GARCH class of models. However, when we compared the asymmetric models, we found that, for Sensex, the EGARCH model was a better fit. This was in accordance with the lowest AIC and the SBC and the highest log likelihood value. The improvement in model fitting signifies that returns respond differently to the arrival of negative and positive shocks unlike the vanilla GARCH model.

5.0 Conclusion

The volatility of the Indian stock market exhibited characteristics similar to those found earlier in many of the major developed and emerging stock markets, viz., autocorrelation and negative symmetry in daily returns. It was shown that asymmetrical GARCH models outperform the OLS models and the Vanilla GARCH models. While it was the EGARCH model which provided a better fit for the Sensex data, GJR-GARCH model showed better acceptance in case of Nifty. A significant half-life for both the indices indicated the persistence of shock in the system. Persistence of shock could explain the time varying risk premium. If the shock was short term in nature, then the investor would restrain from making any changes in their discounting factor while obtaining the present discounted value of the stock and hence its price.

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Enhancing Employer Branding through Employee Engagement: A Conceptual Model

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Abstract

The concept of employee engagement has gradually evolved from the past research on job involvement, empowerment, job motivation, organisational commitment and trust. All these research streams focus on employee's perception and attitudes about work environment.

The perception of meaningful work is one of the most influential factors in determining employees' willingness to stay with an organisation. Past research on employee engagement has shown that organisations adopting employee engagement practices experience a high level of job satisfaction and commitment amongst its present employees which can serve as a strong medium for marketing the employer brand.

This research paper explicates the concept of the employee engagement and studies employer branding. The paper is based on secondary data analysis and attempts to present a model on employer branding through employee engagement.

Key Words: *Employee Engagement, Employer Branding, Brand, Engagement Culture*

1.0 Introduction

Employee Engagement

Engagement was conceptualized by Kahn, (1990) as the 'harnessing of organizational members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Employee engagement is thus the level of commitment and involvement an employee has towards their organizations and its values.

Employer Branding

Branding was originally used to differentiate tangible products, but over the years it has been applied to differentiating people, places and firms (Peters, 1999). According to Aaker (1991), established brand is regarded as a critical means for differentiating between products and creating competitive advantage for organizations. Similarly, employer branding has become a new approach for gaining an edge in the competitive world. It refers to the process of identifying

and creating a company brand message, applying traditional marketing principles to achieving the status of employer of choice (Sutherland et al., 2002). According to Barrow and Mosley (2005), employer branding is used not only to transfer the message of the personality of a company as an employer of choice, but it also has been used to adapt the tools and techniques usually used to motivate and engage employees. Like a consumer brand, it is an emotional relationship between an employer and employee.

Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture as an employer in the marketplace. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It conveys the "value proposition" the totality of the organisation's culture, systems, attitudes, and employee relationship along with encouraging your people to embrace and share goals for success, productivity, and satisfaction both on personal and professional levels. According to Sullivan (2004), employer branding is a long term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm.

As economies become more knowledge-based, demand for highly qualified and skilled employees continues to rise, because these human resources offer a potential source of sustained competitive advantage (e.g., Moroko & Uncles, 2008). The labour market thus is changing from a sellers' to a buyers' market (Petkovic, 2007), especially in the case of highly skilled employees, as the availability of high-value jobs is greater than the number of suitable job seekers (Grobe, 2003).

Employee Value Proposition

Data from the corporate executive board quoted in *The Economist* suggests that effective Employee Value Proposition (EVP) management can bring tangible benefits, including a 20% increase in the pool of potential workers, a four-fold increase in commitment among employees and a 10% decrease in payroll costs.

To create a successful EVP, companies must understand three things:

- Image – potential employees' values and preferences in careers, brands and employers as well as their perceptions of your organisation
- Identity – the internal truths of working life in your organisation
- Profile – the image your organisation is trying to portray, including corporate brand and CEO messages.

2.0 Research Objective

- To study the existing Employee Engagement practices for enhancing Employer Branding
- To present a conceptual model of Employer Branding through Employee Engagement

3.0 Research Methodology

The paper is based on Secondary data analysis and attempts to present a conceptual model on employer branding through employee engagement. The secondary data is collected using databases like Proquest, Ebsco, Emerald, etc.

4.0 Conceptual Model - Employer Branding through Employee Engagement

Employer branding and reputation management have the power to give organisations the competitive edge attracting, retaining and, what's more, getting the most from their employees, thereby meeting the challenges posed previously.

Learning its lessons from consumer branding, employer branding seeks to induce affinities and loyalty through identity. The employment experience serves as the foundation of the employer brand and includes tangible features such as salary, rewards and benefits, but also extends to intangibles such as an organization's culture, values, management style and opportunities for employee learning, development and recognition (Newell & Dopson, 1996; Hendry & Jenkins, 1997).

Google has 20 layers of employee selection and only has 2% attrition. The result of its effective employer branding strategy is reflected in its approach to acquiring the best talent. But in order ensure the retention of its talented employees the company puts continuous efforts in developing and implementing innovative employee engagement practices.

The conceptual model on employer branding through employee engagement presents how employer branding and employee engagement practices are intertwined in high growth companies.

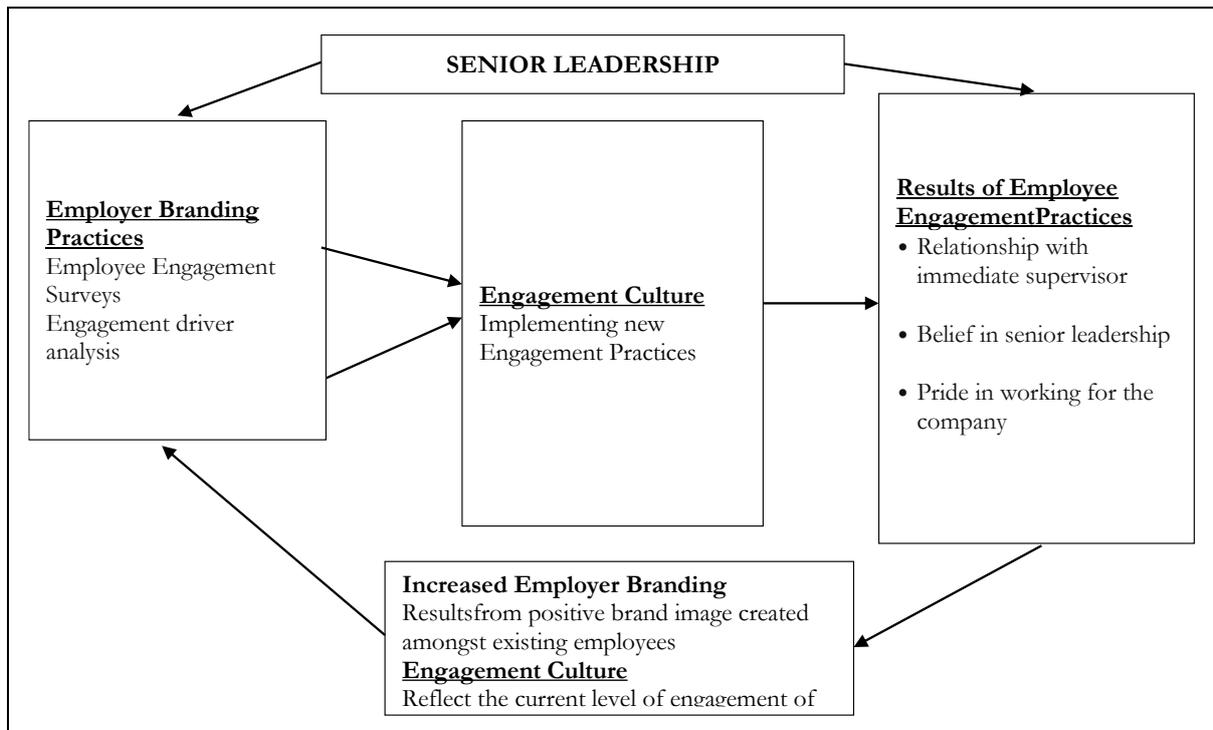


Figure 1 : Conceptual Model of Employer Branding through Employee Engagement

Employer Branding Practices

Leading employers often make use of a wide variety of qualitative and quantitative research techniques for building employer brand which include Employee Engagement Surveys and Engagement Driver Analysis

- Employee engagement surveys (how engaged are our current employees)

Various Employee Engagement surveys are used to measure the level of engagement of current employees. The Gallup study highlights twelve key elements that form the foundation of strong engagement and believes these elements can be accessed through twelve questions (Thackray, 2001). The Institute for Employment Studies (IES) also did a study and found, “twelve attitude statements representing engagement were tested; all were found to ‘sit together’ reliably, to comprise a single indicator of engagement.” But, the IES elements are not a clear match to those of Gallup and IES also state that a subset of five questions is allowed (Robinson et al, 2004) if twelve questions are unmanageable.

Another measurement example comes from Development Dimensions International (DDI). DDI has their own measure, “E3,” which assess three key elements of engagement (individual value, focused work, and interpersonal support) as well as

provides a standard measure for employee satisfaction, which they feel is a result or consequence of engaging employees.

Kieron Shaw (2005), reviewed employee engagement research and measurement proposals of many entities including Gallup, Towers Perrin, ISR, and Accenture. Concerning how to measure, Shaw's study struggles to provide any real clarification. Shaw offers suggestions based on, "sifting through our desk research and interviews and trying to subject the ideas to some reasoned analysis" and breaks engagement questions into three macro categories: climate, driver, and outcome. In the end, Shaw (2005) states, "It's arguably unfeasible to directly measure in the survey all the actions behind engagement," due to the fact that, "there are potentially thousands of different individual actions, attitudes, and processes that affect engagement."

A different way to consider the difficulty of measuring employee engagement is to imagine the concept of employee engagement as a large geographical country such as the United States. Survey questions may represent a very specific piece of information about a given city or town in the United States. When you consider all of the subtle and profound differences between cities such as Las Vegas, Nevada and Boston, Massachusetts you begin to understand the complexity of measuring employee engagement.

Engagement driver analysis (what drives employee engagement in our company).

Top management in any company is interested in understanding what are the gaps in employee engagement practices followed in organizations and how these gaps can be reduced so that it results in high level of employee engagement and thereby loyalty towards the organization. The most common drivers of engagement found in past studies that may have an impact on employee engagement practices are:

- Attachment to the job
- Agreeableness
- Emotional stability
- Openness to experience
- Achievement orientation
- Self-efficacy

Engagement Culture

Employee Engagement Survey findings presents the present level of engagement of existing employees. Implementing new engagement practices is very essential to bring in an engagement culture in the organization. Some of the employee engagement practices which will help organizations, create an engaged culture are:

- Having a meaningful role and knowing how it contributes to company success
- Working with a respected team leader who demonstrates confidence in the company's future
- Working within an effective team that is committed to productivity
- Knowing what standards and outcomes are expected of employees
- Having an effective reward and recognition program
- Using an employee's skills and talents to their full potential

Results of Employee Engagement Practices

The results of the employee engagement practices can be measured in mainly three areas:

- Relationship with Immediate Supervisor

Wide research, including the recent Gallup and SHRM reports, continues to clearly show that the relationship between employees and their immediate supervisors is a direct cause of voluntary turnover. Citing Kelly Services' own research, the Kelly Global Workforce Index 2013, Caputo relayed that "63 percent of global respondents indicate that their direct management has a significant impact on their level of job satisfaction and engagement" and this effect travels all the way up and down the chain of command, both the Gallup and SHRM studies corroborated, with Gallup stating that "managers who are directly supervised by highly engaged executive teams are more likely to be engaged than managers who are supervised by disengaged executive teams. And, frontline employees who are supervised by highly engaged managers are more likely to be engaged than those supervised by disengaged managers."

- Belief in Senior Leadership

According to the Blessing White study, trust in the CEO has twice the immediate impact on employee engagement as trust in an immediate manager.

More importantly, belief in senior leaders translates into the discretionary output that separates mediocre companies from the standouts. Employees who believe in the vision

and values of their CEO will stay longer, work harder, and perform at a higher level. Those who don't likely won't leave, but they will do the minimum required to keep their jobs—and reserve their passions for pursuits outside the office.

- Pride in working for the company

Employees want to be a part of an organization they are proud of; proud of the mission, the vision, the values, the products or services and the people. Highly engaged employees routinely and enthusiastically recommend their organization's products and services and without hesitation describe it to others as a great place to work where it would take a lot to get them to leave for another opportunity (even for better pay).

Increased Employer Branding

Satisfied employees in the organisation are committed in the organisation and bring in positive work culture in the organisation. This will result in increasing the employer brand amongst potential employees and thereby improving employer brand image. An employer branding survey will determine the enhanced level of employer branding as a result of increase in the employee engagement.

5.0 Conclusion

Peaks and troughs in the popularity of employer branding are likely to be influenced by prevailing product and labour market conditions. Today, employee engagement and loyalty are more vital than ever before to an organization's success and competitive advantage. With recruiting costs running approximately 1.5 times annual salary, the ability to engage and retain valuable employees has a significant impact on an organization's bottom line. The conceptual model presented in this paper will help the readers to enhance their employer brand by giving due attention to the changing perception of the existing employees and bringing better engagement practices in the organisation so that the organisation can become the employer of choice.

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Solid Waste Management in Greater Mumbai

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“Nature has enough to satisfy everyone’s need but has not enough to satisfy man’s greed.”

- Mahatma Gandhi

Abstract

Environment is the surrounding in which an organization operates. A healthy environment is an absolute necessity for the well-being of all organisms, including man. All our needs, big and small are being met by the environment. However, man having reached the pinnacle of evolution is trying to bring about changes in the environment to suit his convenience. Urban India is facing a massive waste disposal problem which will worsen in the coming years. The solid waste collection, disposal and management have become a major urban problem especially in the metro city.

This study was carried out in Greater Mumbai, the financial capital of India. The main objectives of this study were to study the various methods of segregation of Solid Waste by the public (residents) and to study the public awareness towards segregation of Solid Waste in Greater Mumbai. Qualitative approach was used for this research. From each ward 20 households were interviewed. The total sample size was 480.

The findings revealed that the majority of the households in the metro exhibited concern and sensitivity towards the environment and solid waste. In spite of this the level of segregation of waste is low. The level of waste reused and reduced is low while the littering level is high. The people are aware about the problem but exhibit an indifferent behaviour. The basic thinking is that, they cannot do anything to reduce and manage the volume of solid waste. Also when we pay the tax, the municipality is responsible for the Solid Waste Management.

As the level of public participation is extremely low in Solid Waste Management there is a need for involving and motivating the stakeholders, in this case the households in the process of Solid Waste Management. To begin with – People should be made aware of the 3 Rs: REDUCE, REUSE and RECYCLE.

1.0 Introduction

Environment is the surrounding, in which an organization operates, including air, water, land, industrial resources and interaction with human beings and other living creatures including plants. A healthy environment is an absolute necessity for the well-being of all organisms,

including man. All our needs, big and small are being met by the environment. However, man having reached the pinnacle of evolution is trying to bring about changes in the environment to suit his convenience. Unfortunately, this convenience is temporary. In the long run, man is losing out on a healthy environment.

Sadly our ever-expanding greed has put us in such precarious situation. With an ever increasing pace, the human population, of the so called civilized nations, has put material things above the beauty, magnificence and survival of the Earth. A variety of environmental problems now affect our entire world. As globalization continues and the earth's natural processes transform local problems into international issues. India too has a number of the critical issues that India grapples with every day, one such problem is of disposal of Waste and its Management.

Solid waste can be classified into different types depending on their source

- Household Waste is generally classified as Municipal Waste,
- Industrial Waste as hazardous waste, and
- Biomedical Waste or hospital waste as infectious waste.

Waste Management is the collection, transportation, processing, recycling or disposal and monitoring of waste materials. Solid Waste Management also includes the construction of facilities to recycle goods.

2.0 Need and Significance

India is a fast developing nation, as the country's economy and population continue to grow, from 300 million people in 1947 to more than a billion people today are putting a strain on the environment, infrastructure, and the country's natural resources. The need to find solutions becomes more urgent every day.

As rightly said by Henry David Thoreau-

"What's the use of a fine house if you haven't got a tolerable planet to put it on?"

Mumbai the financial and commercial capital of the country, accommodating more than 12 million people, presently has garbage Municipal Solid Waste (MSW) production to the tune of 6500 Tons per day. It also produces nearly 2500 Tons of construction and demolition (C&D) waste per day.

The collection and transportation of the huge amount of waste is a matter of concern for any corporation. There are three dumping grounds in Mumbai, viz. Deonar, Mulund and Gorai

(being converted by the corporation). A new site Kanjur Village is proposed to accommodate the increasing waste where the collected solid waste is presently dumped without any treatment.

A detailed study was carried out to study the Solid Waste Management System operative in Greater Mumbai. The area of the study included

- The Mumbai City - Mahim to Colaba,
- The Eastern Suburb - Dadar to Mulund and
- The Western Suburb - Bandra to Dahisar

3.0 Objectives of the Study

- To study the various methods of segregation of Solid Waste by the public (residents) of Greater Mumbai.
- To study the public awareness towards segregation of Solid Waste in Greater Mumbai.

4.0 Assumptions of the Study

Sustainable Solid Waste Management exists in Greater Mumbai.

Hypothesis of the study

Research Hypothesis 1 - Segregation of Waste is done by the residents of Greater Mumbai.

Research Hypothesis 2 - Residents of Greater Mumbai have a positive attitude towards segregation of Solid Waste.

5.0 Methodology

Descriptive Survey Method was used.

6.0 Population of the Study

Residents of the Greater Mumbai.

7.0 Sample of the Study

20 sample from each ward were randomly selected (in total 20 residents X 24 wards = 480 sample) Total 480 residents from 24 wards across Greater Mumbai.

8.0 Tools of the Study

Interview was conducted using structured questionnaire.

9.0 Data Collection

For this study purpose Descriptive Survey Method was used where 20 sample from each ward were randomly selected (in total $20 \times 24 = 480$ sample). Total 480 residents from 24 wards were interviewed so that the details required regarding the segregation of waste in the kitchen was obtained along with other details.

10.0 Data Analysis & Interpretation

Qualitative and Quantitative Analysis wherever applicable was used.

Qualitative Analysis - Qualitative Analysis was used to study the information obtained from the interviews.

Quantitative Analysis - Descriptive statistical analysis was done.

11.0 Major Findings

Objective 1: To study the various methods of segregation of Solid Waste by the public (residents) of Greater Mumbai.

Hypothesis 1: Segregation of Solid Waste is done by the residents of Greater Mumbai.

Overall there is a single method used to segregate waste, i.e. separating manually the wet and dry waste or the so called decomposable and the non-decomposable waste.

Overall the segregation level across the metro is very low. Only 33.95% household / residents segregate waste. The segregation is seen only in the urban areas. The urban slums show an indifferent attitude towards the segregation of solid waste.

The findings also revealed that the majority of the households in the metros exhibited concern and sensitivity towards the environment and Solid Waste. In spite of this the level of segregation of Waste is low. The level of Waste reused and reduced is low while the littering level is high. The people are aware about the problem but exhibit an indifferent behaviour. The basic thinking is that, in our busy schedule we do not have the time to segregate waste. Also when we pay tax to the municipality it is their duty to take care of the Solid Waste.

Only 33.95% of residents of Greater Mumbai segregate the Waste generated in their homes.

Objective 2: To study the public awareness towards the segregation of Solid Waste

Hypothesis 2: Residents of Greater Mumbai have a positive attitude towards segregation of Solid Waste.

The overall level of awareness across the metro is average. People are aware about the segregation of waste. Also they feel that by not segregation they are harming the environment. The younger generation shows concern for the environment but the practicality of segregation of waste is missing out.

Second major factor in the Mumbai city is that majority of the ladies are working. The kitchen is looked after by the maids who lack the awareness or are too busy to follow the segregation process.

Again it is seen that the positive attitude is seen more in the urban areas rather than the urban slums.

Overall 58.62% of residents of Greater Mumbai have a positive attitude towards segregation of Solid Waste.

12.0 Findings

- Majority of the residents do not segregate the waste generated in their homes and most of them do not even realize that they are doing something wrong.
- Most of the residents overlook the site of an overflowing garbage bin.
- Most of the adults as well as children do litter around, and they do not even feel that they are doing something wrong by littering around. As also adults litter around when they tell their children not to throw wrappers around it has no effect on them.
- Majority of the residents of Mumbai are unaware of the different methods of recycling, and as a result they have never tried to recycle their wet waste.
- Very few know how to recycle the wet waste generated in the homes but they have also not tried recycling due to lack of time or lack of space.
- Fifty percent of the residents think it is right to use disposable items like paper plates, plastic cups etc. as it is handy to manage, and also these items are easily available in the market, in spite of knowing the ill effects on the environment.
- Majority of the residents make use of cloth bags but if the vendor provides a polythene one they accept it without any problem.

- Majority of residents are aware that they are responsible for keeping the city clean but tend to overlook as there are no strict rules.
- Most of the residents think that it is possible to reduce the waste generated in their houses if slight precautions are taken.
- Majority of the residents think that BMC alone is not responsible for managing the Solid Waste, and if everyone plays their role efficiently the Mumbai can be kept clean. But it is the corporation's lookout to manage Solid Waste.

13.0 Conclusion

- The menace of solid waste in the urban sector has become a monstrous reality. There are all kinds of excuses given for its failure. The blame game continues. Hence the government should educate and inform people about such projects before executing any plan, so that the desired results are obtained. It is a win-win situation with just a little extra effort to grasp the opportunity for making our cities clean and green.
- Residents of Mumbai should be told to segregate waste.
- By conducting this survey on Solid Waste Management it came to light that most people are not aware of this concept and many such concepts like composting, etc. The people who are aware of it are not bothered and feel that it is not their responsibility but it is the sole responsibility of the BMC which is not true. There are only a handful of people who are aware of Solid Waste Management and are also practising it.
- Residents of Mumbai should be given training as to how to recycle the wet waste generated in the homes.
- BMC must make an alternate arrangement to carry the wet waste and dry waste separately which is not done. As most of the people do not segregate their waste, the BMC workers have no choice but to dump all the collected waste together.
- This survey gave researcher an opportunity to understand the process of Solid Waste Management and its need in our life. It really sensitized one towards this burning issue and transformed one into a better individual.
- Ultimately through this survey the researcher would like to conclude one simple thing i.e. "If it is not you then who, And if it is not now then when."

14.0 Suggestions

- To begin with – people should be aware of the 3 R's. REDUCE, REUSE and RECYCLE.
- If these things are kept in mind by the people than half the battle is won.
- People should segregate waste produced in their homes as dry waste and wet waste.
- The collection of waste by BMC should also be done in two separate garbage bins i.e. one for dry waste and the other for wet waste.
- There should be two separate garbage bins built along the roadside by the BMC.
- People should follow the practice of composting the wet waste in their society. For this purpose a small area should be allotted in the society and the manure that is formed is used for planting new trees and nurturing the old ones.
- The most important thing that the people can do is avoid plastic bags. Each one should make it a point to carry paper, jute or cloth bags whenever they go out.
- People should try and buy products which are available in refillable and reusable packets.
- Children are the future citizens, so it is very important to instil the right kind of attitude in them with regards to Waste Management.
- Every individual tries to keep his home clean which is correct. The only thing he should do is to extend the boundary of his home to his surrounding, further to his city and ultimately to the nation he lives in.
- Last but not the least, everyone should dream for a clean city only then will it be possible because it is not the matter of individual effort but of combined efforts.

Suggestions for further studies are

- More sample could be taken
- Besides Residents other sectors of Solid Waste could be investigated.

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Impact of Crude Oil prices on the Russian Economy

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Abstract

Crude Oil is considered by many as one of the important barometer of the Global Economy. In situations where it turns out to be the single most important factor that impacts any economy in particular the conditions can turn pretty dicey. Anything and everything that the economy can make/buy or sell takes a back seat as nothing else, but oil prices drive the sentiments of the participants. Oil producers in Russia have needed support in the form of Currency devaluation to barely manage to stay afloat during the ongoing crisis. The investors' confidence in the economy has also subsided by a great degree. This research paper intends to understand the extent of impact that Crude Oil prices can have on the Russian Economy. It also aims at investigating the dependency of the Russian economy on natural resources, underlining the causes and the possible consequences.

Key Words: *Crude Oil, Dutch Disease, OPEC, USDRUB, MICEX*

1.0 Introduction

'Dutch Disease in Russia makes Rouble play Roulette.' it wouldn't be wrong to put this headline in any business newspaper at present. The current movement in the oil prices and its impact on the Russian economy justifies the above phrase and provides support to the thought of James Buchan, the renowned Scottish novelist and journalist: **A century ago, petroleum - what we call oil - was just an obscure commodity; today it is almost as vital to human existence as water.**

The relationship between oil prices and economic scenario has always been a topic of discussion for experts. One could argue for days on whether oil prices determine economic growth or if economic growth has dictated oil prices. Since 1975, almost every recession has been accompanied with a pullback in oil prices. Oil prices and the major Equity Indices have moved in tandem as well. For some countries though it seems that oil prices drive the economy. In general; it just happens to be that, if oil, which is the predominant energy source around the world, is the main revenue earner for any economy, any movement in its prices is going to put pressure on that economy.

U.S. which has the world's third largest petroleum reserves but rarely had any excess supply till recently has been considering exporting its surplus oil on the global market. Additionally, OPEC which always has excess production capacity and controls more than 40% of global oil production has the ability to dictate global supply levels through production targets and continues to have a major influence on oil prices. Amidst the prevailing condition the Russian economy which generates revenue mainly from Crude Oil exports has come under tremendous pressure and is showing signs of crumbling,

2.0 Objectives

- To study the significant price movement in Crude Oil since 2005.
- To study the significant price movement in Russian Rouble since 2005.
- To study the co relation between Crude Oil prices and USDRUB.
- To study the extent of impact of Crude Oil prices on the Russian Economy.
- To make a comparison about the effects of drop in oil prices on the Russian Economy in 2008 and 2014.

3.0 Scope and Limitations of Study

- The paper would study the strength of Rouble with respect to US Dollars.
- The USDRUB and Crude Oil price values considered are the daily closing values in the respective markets.
- The data under consideration to assess the correlation is approximately for a decade – 2005 till date.
- The study intends to check the strength of correlation and coefficient of determination between Brent Crude and USDRUB exchange rates and excludes the establishment of a regression equation.
- Qualitative research would include the study of factors that cause the above correlation.

4.0 Literature Review

Commodity prices have long been notable for their volatility, creating special economic circumstances in major producing countries. One commonly studied relationship in such countries is the effect of natural resource booms on non-resource economic activity. The literature on this topic has almost exclusively centered on the concept of “Dutch Disease”, a

term coined by The Economist magazine in 1977 referring to the Netherlands gas boom. Large gas reserves had been discovered in 1959. Dutch gas exports soared which led to increase in the value of the guilder, then the Dutch currency. That made other parts of the economy less competitive in international markets. Gas extraction was (and is) a relatively capital-intensive business, which generated few jobs. And in an attempt to stop the guilder from appreciating too fast, the Dutch kept interest rates low. That prompted investment to rush out of the country, crimping future economic potential. Thus, this Dutch Disease hypothesis posits that a boom in the natural resource sector shrinks the manufacturing sector through crowding out and an appreciation of the real exchange rate. Krugman (1987), Matsuyama (1992) and Torvik (2001) have argued that this could have harmful long-term economic consequences, arguing that growth is largely driven by learning-by-doing in the manufacturing and agricultural sectors. Basically it is about natural resources affecting a country's position in the international economy: its currency becomes too strong which discourages domestic production and encourages imports. This is extremely dangerous for many reasons, but perhaps the most severe is that if the flow of natural resources ever comes to a sudden stop the value of the currency will crash. Normally a country would respond to a weakening of its currency by increasing exports, but in an economy ravaged by Dutch Disease there is little immediate ability to increase exports because the manufacturing sector has become so weak and withered and the country so dependent on imports. Balance will eventually be achieved, a cheaper currency will eventually spur a growth in manufacturing and exports and a decrease in imports, but this nightmare scenario explains why so many countries with significant oil production have "sequestered" most of their earnings either by paying down foreign debts or by creating various types of sovereign wealth funds.."

As commodity prices fluctuate: most economies need back-up industries because when the commodities run out, there will be little left to sustain an economy. Nauru, a country that boasted the highest per-capita income enjoyed by any sovereign state in the world during the late 1960s and early 1970s due to its phosphate resource, a sought-after fertiliser ingredient was seriously harmed when the phosphate reserves were exhausted. Russia seems to be in similar situation with Oil-and-gas exports making up 70% of Russia's annual exports and about 50% of the federal budget. Russia, of course, essentially followed the textbook economic playbook from 1999-2005 by using almost all of the increase in oil earnings to pay down its sovereign debt ahead of schedule and to create the "reserve fund" and the "national welfare fund. The Dutch disease mechanism has been cited as a possible culprit for the "resource curse" found by Sachs & Warner (1995) and several subsequent papers, although the existence of the curse has been

called into question by a few recent papers including Brunnschweiler & Bulte (2008), Alexeev & Conrad (2009), Smith (2013).

5.0 Research Methodology

Sources of Data

- Secondary data:

WTI Crude and USDRUB daily closing quotes from Bloomberg data starting Jan, 2005 to Jan, 2015

Other data gathered from books and publications, magazines, internet, journals and periodicals, etc.

Trend analysis of the price charts prepared using the Bloomberg data from the said period.

Research Design

- Quantitative Descriptive Longitudinal

The research intends to analyze the price movement of Crude Oil and its subsequent impact on the Russian currency and economy over a particular period of time on the basis of data obtained from Bloomberg – a popular data resource for various assets and various news articles and research papers. It is temporal in nature and conducted using a sub-section of the total available data points.

6.0 Data Analysis and Findings

The top 5 products exported by Russia are as below: Crude Petroleum (39%), Refined Petroleum (15%), Petroleum Gas (9.1%), Coal Briquettes (3.0%), and Semi-Finished Iron (1.5%). The country has always been reliant on natural resources, and when it has succeeded in exploiting them, it has faced long periods of prosperity. After the USSR's collapse, Russia has faced a great period of depression, and has started to recover only thanks to its most important resource – Crude Oil. According to Fig. 21 (source: World Bank), it can be noticed that there is a high correlation between the Russian GDP growth and the oil production growth. The output growth or de-growth has always affected positively and negatively the Russian economy. When it touched the lowest record of -15.7% during 1992, the GDP shrank by almost the same amount. In three years the oil production was reduced about 36% and the GDP followed it contracting by 35. Conversely, after the devaluation of 1998 and the Russian default the economy started to

recover. From 1999 to 2008, before the recent oil shock and the sub-prime crisis, the economy grew at a rate of 7%, reaching its peak in 2000 showing a double-digit growth of 10%. The production has always been boosted by rising oil prices, which makes the investments in the sector more profitable, leading to new oil-wells discovery and improvements in the refining capacity.

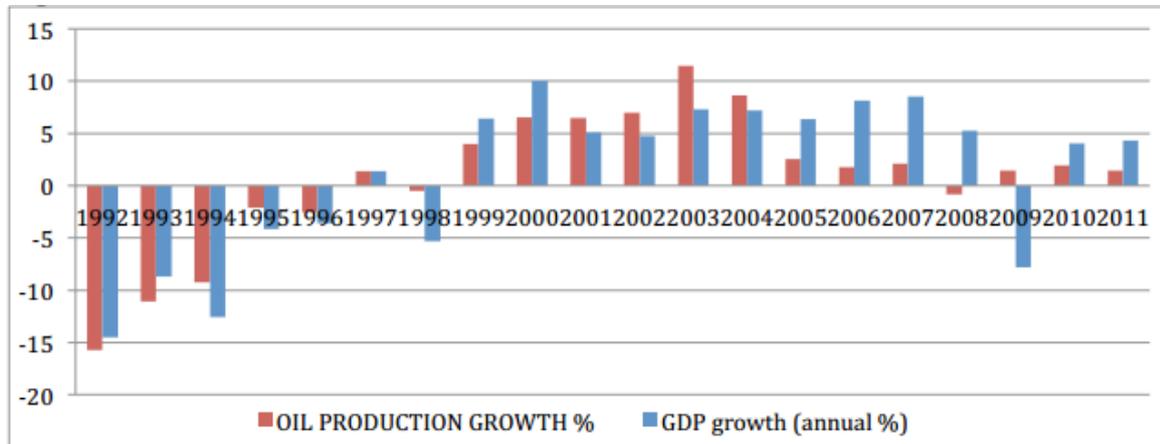
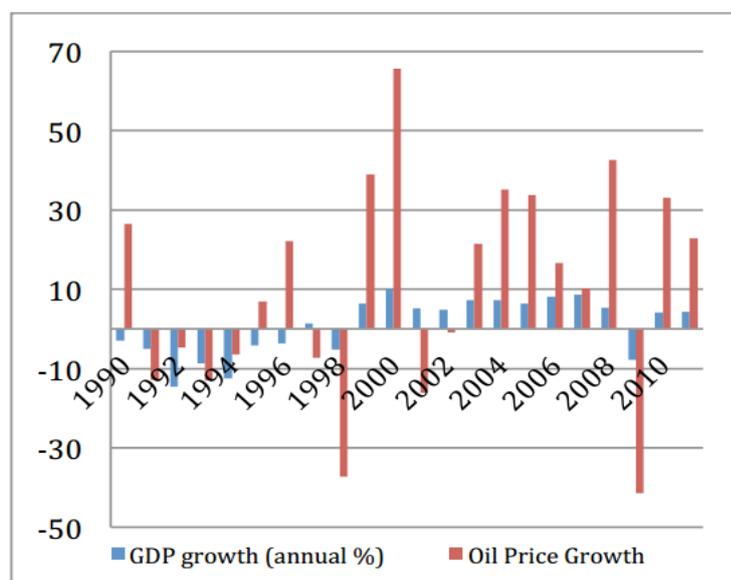


Figure 1 : Oil Production Growth vs. Russia GDP Growth

The first bar indicates Oil Production growth (annual %) and the second bar indicates GDP growth (annual %).

According to Figure it can be seen how the crude oil price affects also the Russian economic growth. Between 2003 and 2008 the price increased on average of 26% every year, showing the peak in 2008 with a growth of 43%, bringing the price to \$91.48/bbl as average of that year.



Source: World Bank database

Figure 2 : Russia GDP Growth vs. Oil Price Growth

The first bar indicates GDP growth (annual %) and the second bar indicates Oil Price growth (annual %).

This year the Russian Rouble has lost 25% of its value as can be seen in the parabolic nature of the USDRUB chart below:



Figure 3 : USDRUB Chart

The following chart illustrates the movement of Brent Crude and USDRUB over the past decade.

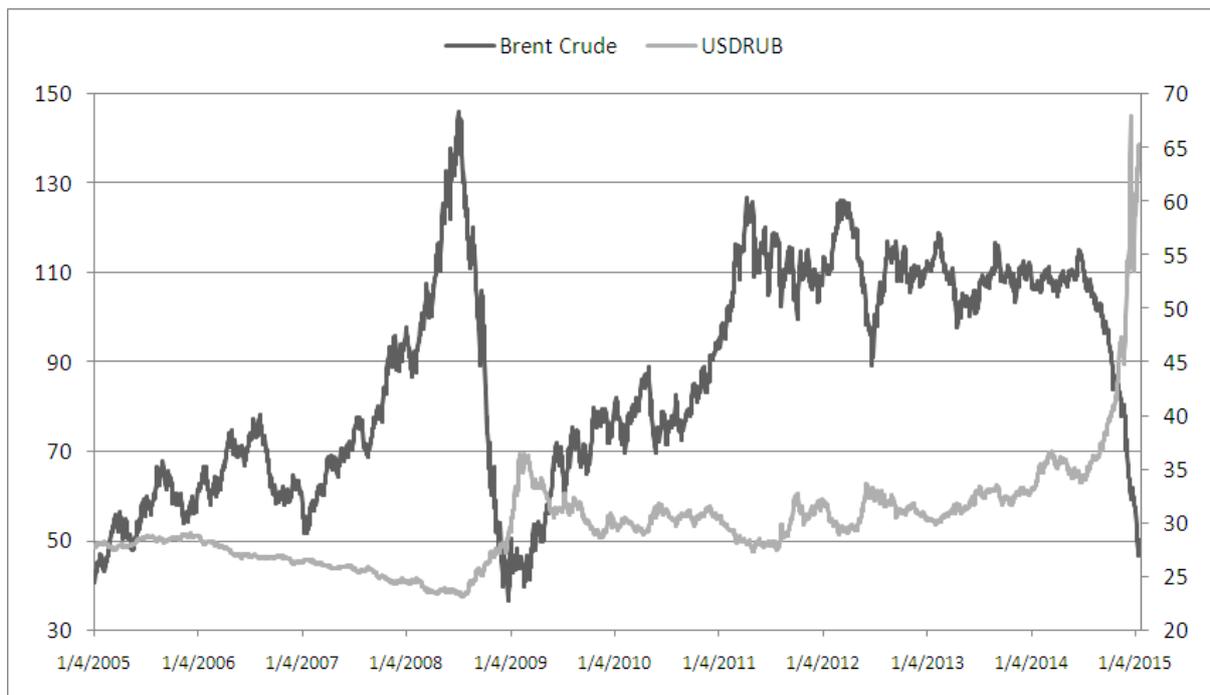


Figure 4 : Brent Crude vs. USDRUB

Pearson’s correlation coefficient (r) is a measure of correlation that gives the strength of relationship between two variables ‘X’ and ‘Y’. The formula for Pearson’s r is somewhat similar to the formula for the slope (b). It is as follows:

$$r = \frac{\sum XY - \frac{(\sum X)(\sum Y)}{n}}{\sqrt{\sum X^2 - \frac{(\sum X)^2}{n}} \sqrt{\sum Y^2 - \frac{(\sum Y)^2}{n}}}$$

Equation 7

The value of r is such that $-1 < r < +1$. The + and – signs are used for positive linear correlations and negative linear correlations, respectively. ‘r’ value of around 0.8 (+ or -) or more indicates that the two variables are fairly highly associated.

If ‘r’ is squared, we get the coefficient of determination i.e. r-square, which tells us how much of the variance in ‘Y’ is explained by ‘X’. The coefficient of determination is such that $0 < r^2 < 1$, and denotes the strength of the linear association between x and y.

The findings regarding interrelationship between Brent Crude and USDRUB is given below:

Period	R	R-Square
2005 onwards	0.00636	0.00004
2007-2009	-0.70846	0.5019
2014 onwards	-0.97434	0.9493

Table 1 : Correlation between Brent Crude and USDRUB

Other points to be noted are as below:

- The massive movement of Crude Oil price in 2005-2008 (\$40/bbl to around \$145/bbl and back to less than \$40/bbl) saw USDRUB trade between 23 and 30.
- Post 2008 when the prices of Crude Oil again started to rise and finally managed to touch a high of \$125/bbl in early 2012 and again around \$120/bbl in 2013 during this tenor of almost four years the USDRUB price still remained stable around 25-35.
- On the other hand, unlike the above two scenarios - when the prices started to drop in 2014 to the current levels of below \$50/bbl the RUB came under huge pressure with USDRUB touching as high as 68.5 few days back. The current rate of the USDRUB currency pair is 64.

The following series of charts shows how key variables evolved during the 2008 crisis and the current crisis. The starting point in each case is the date when the oil price peaked pre-crisis. In 2008 Brent peaked on July 3 at \$146/bbl, and in 2014 oil had touched \$115/bbl.

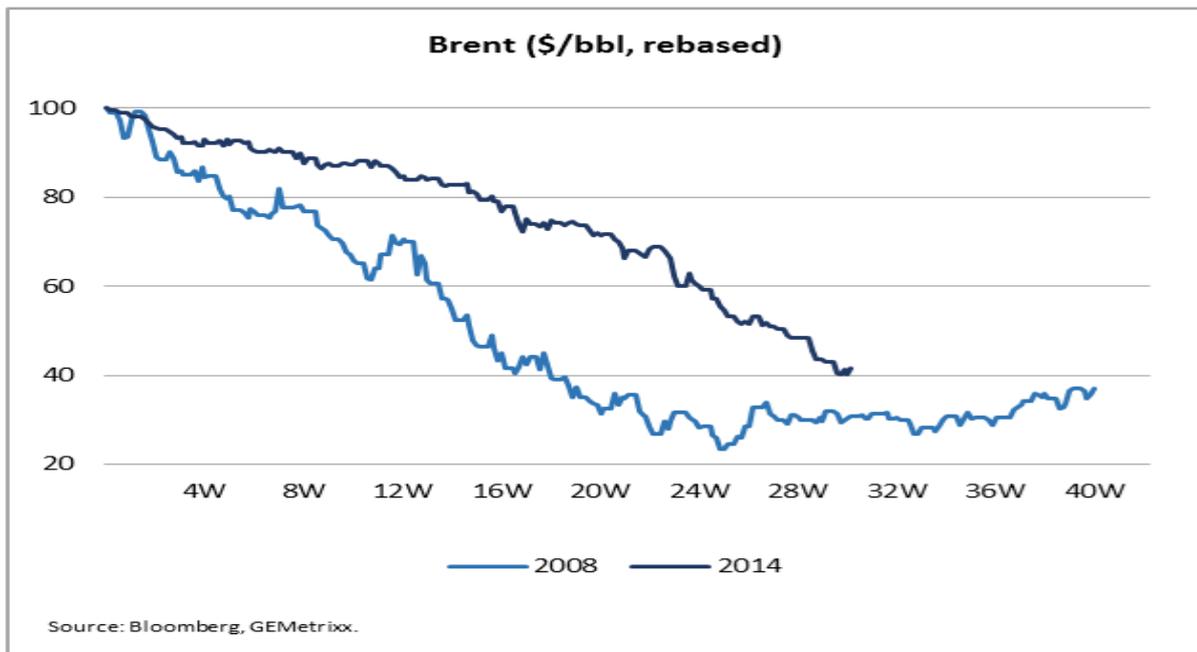


Figure 5 : Brent Crude Price - 2008 vs. 2014

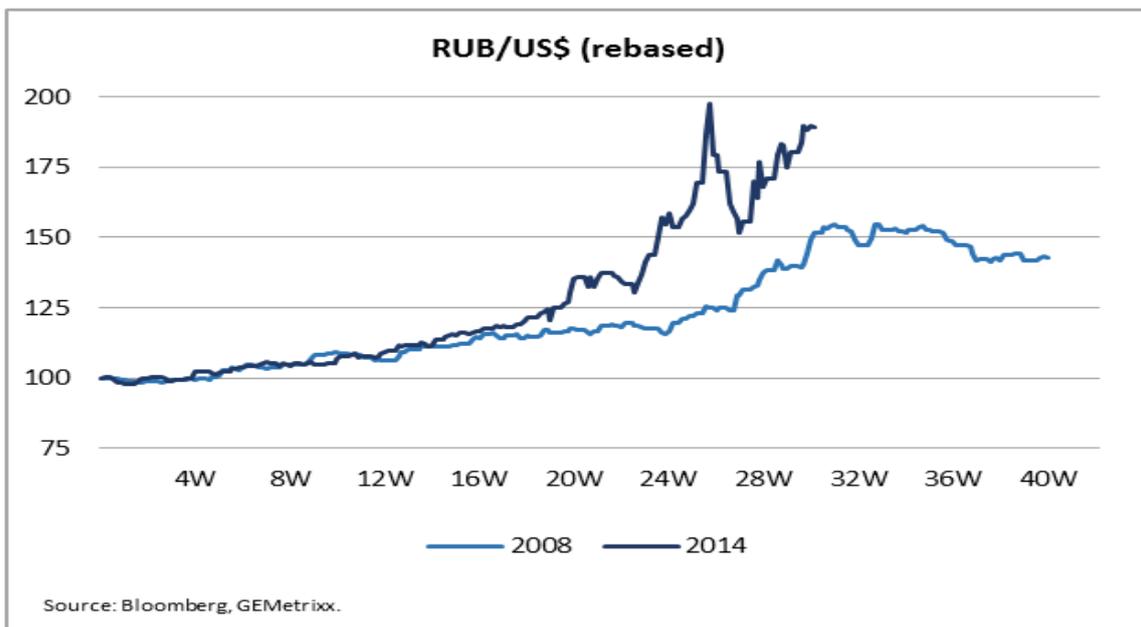


Figure 6 : RUBUSD - 2008 vs. 2014 rates

The above charts clearly show that the fall in 2008 in Brent Crude was more drastic than the current fall. In spite of this, Rouble managed to hold its own in a much better way during the previous fall as compared to 2014-2015. Crude oil had fallen by about 70% in 2008 and the corresponding depreciation in Rouble against the Dollar was about 35%. In the current crisis a 60% drop in oil prices have led to depreciation in Rouble to the extent of 50%.

Another remarkable difference between the Russian equity market's performance in 2008 and 2014 is that this time the fall in dollar based stock indices solely was due to the Rouble's devaluation. The (Rouble-based) Micex, the main local index, moved more or less sideways despite oil's weakness, Rouble volatility and sanctions. By mid-January, the Micex index was even above its 2014 level, partly reflecting the fact that the stronger Rouble devaluation is not only benefitting the fiscal balance, but also supports corporate profitability in Rouble terms.

Some of the significant factors for the extent of the fall in USDRUB are as below:

- The Russian Economy in addition to the fall in Crude Oil prices has been suffering from Ukraine-related sanctions.
- The Russian government responded to the sanctions imposed by these countries by levying counter-sanctions: restricted import of agricultural products and other consumer goods which led to increase in the cost of goods in local currency, thus resulting in higher inflation. It also decreased the quality of goods available locally in Russia.
- The Central Bank of Russia (CBR) has moved towards a floating exchange rate regime in effort to protect currency and support the fiscal budget
- The Rouble was overvalued before the oil impact set in.
- The combined effect of declining exports of goods and services and low oil prices has resulted in downside pressure to Russia's GDP.

7.0 Conclusion

The illegal annexation of Crimea by Russia, prompted many countries to protest the Russian invasion by applying economic and administrative sanctions against it. The USA, Canada, the European Union, Norway, Japan, Australia, and Switzerland are major countries that imposed sanctions, including a travel ban on key politicians and individuals, the freezing of assets, the imposition of a ban for lending to major state-owned Russian banks etc. Falling oil prices coincided with these sanctions and became an additional driver of Russia's economic crisis. This growing Dutch Disease has been able to grow inexorably and strengthen its roots in Russia and in its economic system. Russia's economy faces an awful lot of risks, and its over-dependence on natural resources is extremely dangerous, particularly at a time that global growth is slamming to a halt. The country needs to diversify, which will be an extremely difficult and complicated process. There is a key difference between the performance of the Rouble in 2008 and 2014. The Russian currency weakened massively during both occasions, and at the beginning of each crisis at a similar pace. In 2014, however, the devaluation is going further than in 2008. The Rouble

has fallen almost by 50% against the dollar, whereas in 2008-2009 the depreciation was around 30%. On the positive side, the weakness in Rouble may still lead to a milder downturn in the Oil Export Dependent Economy as compared to the 2008 fall when the economy shrank by 7.8%.

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Thematic analysis of ‘Lord of the Flies’ for selected management concepts

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Abstract

This paper attempts to use the novel The Lord of the Flies to teach selected Management concepts. This particular novel was chosen as it portrays interactions between the characters in ways that the students can understand and identify with. Not only does it clearly demonstrate a wide variety of techniques in the sources and uses of power, but also does so in a manner which students have found to be highly interesting and enjoyable. The scope of the paper is a thematic analysis of the novel to identify scenarios to augment and illustrate selected concepts of Management concepts in a proper perspective.

Key Words: *Management Concepts, Novel, Perspective, Students, Interesting*

1.0 Introduction

Thematic analysis of lord of the flies for selected management concepts.

"Let me tell you a story." Would it not be nice if teachers began their lectures thus, not only in schools, but also Management colleges? Dr Danzig (1999) has said that "one of the great advantages of reading fiction or history is it gives you the opportunity to understand the world from different vantage points and different time periods and different psychologies." This paper is based on the fundamental belief that the use of literature to teach management concepts as a way into a greater understanding of organizations has enormous potential. In a narrative fiction, the complexities of an organization can be demonstrated through the various characters. In the real world, the human factor plays an important role, and literature encourages student to broaden their thinking horizon. Every story is an interaction of life. The author pens down his thoughts & ideas about daily interaction of life.

2.0 Research Objectives

- The objective of this exploratory research was to do a thematic analysis of a novel to identify scenarios to augment and illustrate selected concepts of Management in a proper perspective.
- The output of the thematic analysis could be used as course material to teach Management concepts.
- An endeavour has been made not only to identify the scenes in the book which are examples of the theme, but also to interpret the same so that the instructor can use the model directly without having to do any further planning.

3.0 Methodology - Thematic Analysis

The procedure followed was to first identify the themes to be analyzed in the work of literature. In this study, Organizational Behaviour concepts like power, group dynamics, conflicts, motivation, personality, organizational development were identified as themes to analyze. Secondly, specific examples of where the theme appeared in the literature were collected. These examples were conjoined to explain a concept, a trait, a character, cause and effect of an action. The study made use of themes from William G. Golding's novel, "Lord of the Flies," to analyze the setting, as the novel provides an excellent vehicle for teaching leadership and power and other organizational behavior concepts. Lewis (2005) uses the novel *Lord of the Flies* as a case example of a traumatized culture. In a case study, Cooper & Kempner (1993) investigated the organizational culture of a community college and how it both contributed to and prevented organizational chaos during a period of change.

Thematic analysis requires that you determine the frequency of appearance of a theme in the study material, in this case the novel *Lord of the Flies*. To develop course materials, an extensive search on the internet for study material on the novel was done.

4.0 Thematic Analysis of “Lord of the Flies”

The thematic analysis of selected Management Concepts are given in the next few pages.

- **Power**

French & Raven (1959) were the first to identify the major types of power and define them systematically within the context of a dyadic relationship. *Lord of the Flies* exhibits innumerable examples of power and the use of power. Jack and Ralph demonstrate different kinds of power.

Although the original theory is almost 50 years old, it is still relevant today. Being able to identify and recognize power bases is necessary in understanding the element of influence in leadership. This novel provides an avenue for all five power bases to be identified and for clear application to see the effects of a leaders influence.

Legitimate Power - Power that is based on position - Ralph, the novel’s protagonist is a twelve year old, fair-haired and athletic in build. Naturally charismatic, he is initially elected chief of the island by popular majority vote and attempts to run the island democratically. Ralph is a strong leader because he sets goals for the group and expects them to meet them. Ralph manages to keep the boys under control by holding meetings. At the meetings, a sense of order is instilled because the boys are not allowed to speak unless they have the conch shell. *“I’ll give the conch to the next person to speak. He can hold it when he’s speaking.”* (Golding, 1958:31) By enforcing this sense of order, he gains respect from the boys and becomes for confident as a leader. He sets rules to use only the signal fire for cooking and build no other fires. A water arrangement of keeping coconut shells arranged in the shade is planned. The boys must use the rocks near the bathing pool for toilet purposes as the tide washes the place regularly. Ralph uses his power to try and improve the boys’ civilization. He demonstrates his understanding of the boy’s needs by building shelters. *“They talk and scream. The littluns. Even some of the others.”* (Golding, 1958:53). Ralph is referring to the fact that the boys need the shelters because they are afraid and the shelters will help the boys feel more secure. His main focus throughout the book is getting rescued and he puts much emphasis on this. He instructs the boys to make a fire and to keep it burning as a distress signal. When the boys do not share his enthusiasm for getting rescued, he becomes exasperated. *“The fire is the most important thing on the island. How can we ever be rescued except by luck, if we don’t keep the fire going?”* (Golding, 1958: 88). Ralph is very angry at Jack when he and his hunters let the fire go out and a ship passes by. *“There was a ship. Out there. You said you’d keep the fire going and you let it out”*

(Golding, 1958:70) He is also angry because no one has finished the shelter, Jack and the choir only want to kill pigs and that no one is pulling their own weight. Standing still and stoic, Ralph very simply commands them to rebuild the fire. In this, we are told, he reasserts his chieftainship; the choir boys are forced to rebuild the fire away from where Ralph stands, unmoving, which is a hell of a lot of work for them. He finally has to move to help them light the fire, using Piggy's glasses. After the ship passing fiasco, Ralph calls for a serious meeting. *This meeting must not be fun, but business. "I was chief, and you were going to do what I said."* (4.132-133) Although Ralph asserts his power here, he does so for the sake of the signal fire and the prospect of getting rescued. For Ralph, power is a means to an end, not the end itself. *"All this I meant to say. Now I've said it. You voted me for chief. Now you do what I say."* When Sam and Eric tell the group about the beast, Ralph declares he will go and look for the beast because he's the chief and it is his duty.

Jack, the antagonist is school choir leader and thus has legitimate power over the choir. *He shouted an order and they halted. "Jack's in charge of the choir. They can be – what do you want them be?" "Hunters".* Jack declares that he should be chief because he's the head boy of the choir and can sing a C sharp. Hearing Jack, Ralph realizes "this was the voice of one who knew his mind". Jack is Ralph's arch rival. Ralph senses the rising antagonism understanding Jack's feeling when he ceases to lead. Jack challenges Ralph and democracy with these words *"Why should choosing make any difference? Just giving orders that don't make any sense –"* When Jack establishes his own tribe, he wears his chieftainship with all the pomp and circumstance that is notably absent from Ralph's character. Jack understands the importance of making himself a real figurehead: *Before the party had started a great log had been dragged into the centre of the lawn and Jack, painted and garlanded, sat there like an idol.*

Piggy's glasses become the most powerful item on the island and Jack steals them to establish his supremacy. *"The chief led them, trotting steadily, exulting in his achievement. He was a chief now in truth; and he made stabbing motions with his spear. From his left hand dangled Piggy's broken glasses.* (Golding, 1958:296)

Coercive Power - Power that involves punishment when the follower does not adhere to the leader's influence. Jack uses coercive power throughout the novel which can be demonstrated in various instances. He is leader of the choir group and orders them around. He is unconcerned about their discomfort and has no mercy for Simon who faints marching in the sun. To light the fire the first time, he snatches Piggy's glasses off

his face. *"We will have rules. Lots of rules. Then when anyone breaks 'em –* "Jack wants to have rules to be able to punish those who do not adhere to them. Jack uses the boys' fear as a means to control them. *"We'd better keep on the right side of him, anyhow. You can't tell what he might do." The tribe considered this; and then were shaken, as if by a flow of wind. The chief saw the effect of his words and stood abruptly.* (Golding, 1958:142-143) There is a scene where Wilfred is tied up by Jack and beaten. Jack attacks Ralph's group and steals Piggy's glasses. Jack bullies Sam and Eric *"You got to join the tribe. What do you mean by coming with spears? What do you mean by not joining my tribe?"* Jack forces the twins to tell where Ralph's hiding spot is by inflicting pain on them.

Roger is another person who uses coercive power. He is introduced as "slight" and "furtive" and has an *"inner intensity of avoidance and secrecy"*. He along with Maurice step on the sandcastles built by the littluns. He throws stone at Henry from behind a tree. Sam and Eric are initially allied to Ralph but Roger tortures them into submission to Jack. He is the one who uses the lever to push the boulder to kill Piggy. Roger and Jack share the same beliefs. Both are considered hostile by the twins. Their characters throughout the story follow the same outline, as both belong to the same choir in the start, and at the end, both hunt and think alike. Even though Roger has no point to hate Ralph, as Ralph has done him no harm, Roger still finds it in him because of what has happened between Ralph and Jack. Together they want to rid Ralph of his power, and take control of the island.

Reward Power - Power whose basis is the ability to provide a positive reward to take away negative consequences. Jack gains the upper hand because his rewards were more visible and tangible (meat, excitement and safety from the beast) than Ralph's long term and futuristic offering of the hope to be saved by maintaining the fire. Jack promises to protect his group from the beast. *"I gave you food and my hunters protect you from the beast. Who will join my tribe?"* When Jack forms a separate group, he comes and invites the members of Ralph's team to a feast thus enticing them away from Ralph.

Expert Power - Power whose basis is knowledge and expertise Initially Ralph's subordinates believe that he has knowledge about their situation and what they should be doing. Ralph has an idea on how to get rescued; he has the group build a fire on the mountain so that when a ship goes by they will see the fire. He puts Jack and the choir in charge of the fire. Ralph tries to have people to start building shelters knowing that the boys need the shelters because they are afraid and the shelters will help the boys feel

more secure. Also he takes care of the neglected little ones. He sets rules. At meetings he has the conch represent the right to speak so, when someone holds it they have the right to speak in front of the group. Ralph manages to keep the boys under control by holding meetings. By enforcing this sense of order, he gains respect from the boys and becomes for confident as a leader. He sets rules to use only the signal fire for cooking and build no other fires. A water arrangement of keeping coconut shells arranged in the shade is planned. The boys must use the rocks near the bathing pool for toilet purposes as the tide washes the place regularly.

Ralph evolves as a leader and becomes a specialist in thought and begins to recognize thought in others. He also learns communication skills. Jack quickly learns the art of hunting. He becomes so obsessed with killing a pig to the point of tracking down pig droppings. Jack is brave and climbs the mountain with Ralph to face the beast.

Jack is obviously humiliated by his loss at being elected chief and lack of support for his revolt. After his secession from Ralph's union, he declares to Ralph "*See? They do what I want.*"

To Jack, intelligence is incompatible with strength, and the latter is necessary for chiefdom. As Ralph uses logic and reasoning like Piggy does, according to Jack, he can't be fit to be the boys' leader. Jack sets his views straight as he believes that hunting is good enough for a tribe to live off. He also tries to encourage others this way by bringing up fun in hunting, thus taking them away from the boring "working life" that Ralph has to offer. In the quote itself, Jack states that the others can go when he wants to go.

Referent Power - Power that is based on the followers' identification with the leader; an emotional influence due to the relationship between the leader and follower. Ralph is elected the leader and that he is a very powerful leader because he boosts the boys hope up of being rescued, knows about the wilderness and has the respect of the other boys. In the first chapter of the book Ralph establishes his power by gaining the respect of the boys. He is elected leader because he gets all the boys together by using the conch. He treats everyone fair. He boosts everyone's hope of being rescued by telling them, "*We want to be rescued: and of course we shall be rescued*" (Golding, 1958:37). The boys obey the summons of the conch "*partly because Ralph blew it, and he was big enough to be a link with the adult world of authority; and partly because they enjoyed the entertainment*" (Golding, 1958:59)

Jack has power simply because he is liked by others because he is able to gratify the short term needs of the boys. It is through this power that he is able to take Ralph's followers

away from him. Jack's leadership qualities are immediately obvious. He has organized his choir to march in uniform, and he has possession of a knife. Jack intuitively grasps the younger children's need for a strong protector. He jumps in and claims that he'll hunt down and kill any beast that threatens them. The boys are impressed with Jack's planning "*He's a proper chief, isn't he? He's going to take us hunting.*" (Golding, 1958:159)

Information Power - A subset of Expert power based on the specificity of the information Piggy, an overweight asthmatic boy about 8 years in age, who cannot see without his glasses represents physical weakness and mental strength. The glasses, however, help illustrate his intellectual strength, his ability to think situations over logically and use reason, rather than emotions to decide upon important dilemmas. Piggy has important information that the others would want. He wants to take a census of the boys on the island "*I expect we'll want to know all their names... and make a list*" When Ralph suggests that his father who is a commander in the navy will rescue them, Piggy asks "*How does he know we're here?*" Piggy suggests "*We got to find the others. We got to do something.*" When Ralph and Piggy find the conch, it is Piggy who suggests "*We can use this to call the others Have a meeting. They'll come when they hear us* - "Piggy's glasses become the boys' one technological advancement. The glasses are used to light a fire. Finally Jack steals the glasses to assert his being chief. When Jack and the boys rush to start the fire, Piggy rants about how they should have built shelters first. Piggy even wants to make a sundial. Daunted by the beast, Piggy suggests they make the fire on the beach instead of the mountain top which is appreciated by the boys. At one point, Ralph's ability to think falls victim to the chaos of the island. Only Piggy remains a pillar of reason. When Ralph & Piggy go to Jack to ask him to return the glasses, Ralph & Jack get into an argument and Piggy reminds Ralph "*remember what we came for. The fire. My specs.*" (Golding, 1958:159) While Ralph gets caught up in the heat of the moment, Piggy is able to ground him in reason.

Ralph and Jack are made similar by their desire for power, but differ in their treatment of that power. Ralph is willing to share power, but Jack wants it all for himself. Ralph is thus the assigned leader and Jack is the emergent leader who grabs power using two polar opposite bases of power, reward and coercive.

- **Conflicts**

All conflicts lie somewhere in the continuum from 'No conflict' to 'Annihilatory conflict'. Instances of every stage in the continuum can be found in the novel.

No conflict - When Ralph is elected leader he offers Jack the leadership of the hunter group.

Minor disagreement / misunderstanding - When Ralph and Piggy try to assemble all the boys on the island using the conch, Jack is disconcerted by the fact that there is no adult.

Overt questioning or challenging of others - Jack is arrogant and dominating. He declares he should be chief at the first assembly. When there are talks of a beast, he promptly suggest that they will hunt the beast. He challenges Ralph at all stages and finally tries to oust him by pointing out Ralph's flaws and thereafter walking out on the group. When Ralph comes to discuss with the conch, Jack questions the validity of the conch in his territory.

Assertive verbal attacks - Ralph is upset when the ship goes past the island without stopping as the fire signal has gone out. He questions Jack's tardiness and obsession with hunting. Jack makes several verbal attacks on Piggy and even accuses Ralph of being partial to Piggy. The fight over the spectacles is another instance. There is a stage where Jack very pompously tells Ralph that the boys follow his orders.

Threats & ultimatums - Jack is rude to Piggy at several times. When they go to check the island and Piggy wants to come along, Jack categorically states "*We don't need you piggy*" He even wants punishment for "*anyone who breaks rules*". Later when Jack makes a separate group, he warns Ralph to stay out of his area

Aggressive physical attacks - The aggressive physical attacks by Jack and his group become progressively more dangerous from killing the pig, re-enacting the kill, Roger hitting the kids' castle, stealing fire, stealing Piggy's glasses, torturing Sam Eric, Wilfred to finally killing Piggy and Simon and hunting down Ralph.

Overt efforts to destroy the enemy - Jack plans out a strategy to hunt Ralph down.

Annihilatory conflict - The conflict takes an annihilatory turn with the killing of Simon, Piggy and finally the near success in trying to hunt and kill Ralph.

Handling Conflict - Conflict handling depends on the intentions which could be aggressive (A) or cooperative (C) Based on the combination of these intentions there are various ways to handle conflicts.

In the novel, the major conflict is between Ralph & Jack. The instances of how they handle conflicts are listed below.

a. Competing (Aggressive & Non Co-operative)

Ralph feels bad and gives Jack a consolation prize, control over the choirboys. Jack immediately stands up and shows off his authority "All right, choir. Take off your togs." Ralph and Jack do what they always do together: argue. Jack thinks it's more important to kill things, while Ralph thinks it's more important to not die of exposure. When Ralph addresses the fears about dying and the beast and sets down the conch, Jack grabs it up and tells all the little children to stop acting like children. He says there is no beast, and if they're afraid they should suck it up. He's been all over the island, after all, and he hasn't seen anything. Jack, trying to take control of the situation, calls an assembly by blowing the conch. He tells the group about the beast and then asks who thinks Ralph shouldn't be chief anymore. His argument is that Ralph shouldn't be chief because 1) he is like Piggy, 2) he doesn't hunt, and 3) he was scared on the mountain.

b. Collaborating (Aggressive and Co-operative)

Ralph and Jack go together to scour the island, search for the beast together

c. Compromising (Not Aggressive and Co-operative)

Jack of his own accord agrees to hunt and build fire. Despite the fact that Jack breaks up from the group, Ralph goes to Jack's feast.

d. Avoiding (Not Aggressive and Not Co-operative)

Ralph, when betrayed by the boys knows that if he calls, nobody will come. Hence he avoids the situation. A typical example of how Ralph is betrayed by some of his followers is the actions of Samneric. They try to avoid conflicts, and therefore never openly take a stand for Ralph. They support Ralph when they are near him, and with Jack, when he, for instance, offers food. Ralph himself is partly to blame for ending up all alone.

e. Accommodating (Mid Aggressive and Mid Co-operative)

When Ralph is elected leader, he feels bad and gives Jack a consolation prize, control over the choirboys.

- **Motivation**

A good example of Maslow's hierarchy of needs is the novel *Lord of the Flies* by William Golding. The two main characters, Ralph and Piggy, find themselves climbing and descending the pyramid of Maslow's hierarchy of needs throughout the story. Ralph comes the closest to the last level of the hierarchy of needs, self-actualization, while his friend Piggy isn't even close. At the beginning of the novel we meet Ralph who is overjoyed by the island they have landed on. He quickly explores the island by himself, in which he finds fresh water from a stream and fruits in the trees. He also finds a person who is only known as Piggy throughout the entire story. Together they find a conch and called for the other people to come to them. Piggy wasn't in such a good position as Ralph was in the first level of Maslow's hierarchy of needs due to his appearance and medical problem. Unlike Ralph, others do not accept Piggy because of his silly ideas and appearance, but he has Ralph there beside him to keep him company. This would be the first level of Maslow's hierarchy of needs; the biological and psychological need for food, water, and the company of others. Without any of these, Ralph survival would be short come.

Together, the band of boys create huts for protection from the rain, heat, and to act as a sort of home to them. They also decide to create a fire on the top of the mountain to serve as a signal for any near-by ships to come and rescue them. This also helps all the boys feel safer from the beast and the darkness during their time on the island. Ralph furthermore looks towards Piggy for his ideas of what to do, while Piggy looks for protection. This helps Ralph feel like he's not the only one with all the burden of being leader. Therefore, Piggy helps Ralph feel safer with all his ideas and suggestions. Piggy and Simon depend on Ralph, just like most of the boy (especially the littluns) depend on their chief depend on him for their survival. This completes the second and third levels of Maslow's hierarchy of needs, safety and social acceptance. The conch shows that the individual has the right to be heard, and it also calls upon meetings. Throughout the meetings, it seems that the conch is mostly in the hands of its founder, Ralph. Being voted by the majority of the boys as chief, Ralph has established a very good esteem among the band of boys.

When Piggy takes the conch and starts to speak, Jack mostly interrupts him. It seems that no one but Simon and Ralph seem to listen to Piggy at all, so unlike Ralph, he wouldn't actually have settled on the fourth level of Maslow's hierarchy of needs; respect and

admiration. But Ralph goes no further than this level due to Jack's actions. After Jack tells the band of boys that he would hunt down, all the boys go out-of-control and go off like savages. At this point in time, Ralph comes to question his leadership skills. Thus lowering his esteem, and moving from level four to level three on Maslow's hierarchy of needs. And Ralph goes down another level after Jack paints his face, making Ralph's trust in the boys go down because they want to follow Jack instead.

Therefore diminishing Ralph's social status that is the level three of Maslow's hierarchy of needs. The several times had the fire gone out, or was not producing enough smoke to use as a signal due to Jack, his hunts and tribe. This takes a big damage on Ralph safety, in which he clearly points out about this being an important factory to their rescue. Piggy would like to be saved and depends on the signal for that as well. But what seems to scare Piggy more about his safety is when Jack has formed his new tribe and is getting to be more out-of-control than before. Ralph and Piggy are starting to lower themselves down from the second level of Maslow's hierarchy of needs of Safety to the first level, their basic needs.

When Jack forms his new tribe, he steals Piggy's glasses, which brings Piggy even lower than the first level of Maslow's hierarchy of needs where his basic needs are very limited due to his loss of sight. This is lower than anyone in the novel has ever gone, a handicapped person on an island where savages live. Ralph is even affected by Piggy losing his sight, although this only brings down his safety because he now knows that Jack's Tribe can raid on them any time they want. When Piggy dies in an attempt to get his glasses back, all of Ralph safety is completely gone. He runs from Jack's tribe and instead of being the hunter, he becomes the hunted. And even though Ralph isn't lowered as low as Piggy was, Ralph still is lower than most people on the island.

Piggy had been around the second level throughout the novel, but before his end, he had gone below the first level of Maslow's hierarchy of needs! Ralph had come from being on the fourth level of Maslow's hierarchy of needs at the beginning of the story to the first level at the ending of the story. A dramatic change, but there were some factors that lead to this, but they were somehow connected to Jack. But being stranded on an island with a bunch of young boys wouldn't get you far on that pyramid of Maslow's hierarchy of needs, and those who do, probably didn't get to the top. No one in the entire novel seems to reach the last level, which is self-actualization.

- **Negotiation**

The episode where Ralph and Piggy go to Jack to bring back his glasses is apt for explaining the steps in Negotiation. The negotiation is not successful.

Preparation and Planning - Best alternative to a negotiated agreement. Goals and outcomes

Piggy wants to go to Jack and the others and insist that they give his glasses back, because it's the right and reasonable thing to do. Ralph, doubtful, agrees to give it a try. They pair decides to bring the conch shell with them to give an impression of authority. Ralph thinks they should clean up ahead of time, too, by taking a bath and combing their hair. Ralph starts yelling about smoke and, anticipating his confusion, Piggy gently tells him that the smoke is so they can be rescued. Ralph flips out – he says he knew that and doesn't need to be told. Piggy nods, patronizing his poor friend. They set off along the beach with Sam and Eric, leading Piggy along because he can't really see anything at all without his glasses. When they get there, the boys in Jack's group are "painted out of recognition."

Definition of Ground Rules - Who, where, time constraints, Issues to be discussed

Ralph announces that he's calling an assembly and looks with jealousy at the savages who have tied back their bothersome hair. He wishes he could have done the same, but now it is too late; he feels at a disadvantage. Roger, one of Jack's hunters, flings a small stone at Sam and Eric, making them stumble. Jack shows up; he and Ralph argue about Piggy's glasses. Piggy screams, afraid to be left by himself when he can't see. "You pinched Piggy's specs," said Ralph, breathlessly. "You've got to give them back." Jack is not convinced.

Clarification And Justification - Explain, amplify, clarify, bolster, justify

Once Ralph calls Jack a dirty thief, the boys begin to fight, swinging at each other with their spears. But Golding is careful to tell us that they use their spears "as sabers," not jabbing at each other with the "lethal points," possibly because everyone is still a little bit traumatized over Simon's death. Throughout the fight, Piggy is the voice of reason. He tells Ralph to remember what they came for – the fire, the specs.

Bargaining & Problem Solving - actual give and take

Ralph has a really interesting line here; he says to Jack “You aren’t playing the game –” and then he cuts himself off. As Ralph continues to reason, Jack tells the savages to grab Sam and Eric and tie them up. There is some hesitation. But the moment passes. The twins get tied up and Jack revels in his ability to boss the others around. As the fighting between Jack and Ralph worsens, Piggy yells at them to let him speak and holds up the conch. Surprisingly, everyone quiets down. Piggy tries to reason with them, telling them to cut out all this painted savage nonsense. He suggests that law and rescue are better than hunting and breaking things up. The boys shout over his reasoning, and Jack’s tribe looks like it’s going to charge.

Closure And Implementation - formalize agreement to developing procedures for implementing and monitoring

Remember that lever catapult from before? High above them on the cliff, Roger leans on the lever “with a sense of delirious abandonment.” Piggy is still holding the conch when the boulder strikes him. The conch is scattered into thousands of pieces. The boulder knocks Piggy off of Castle Rock – he falls forty feet toward the sea and lands on the rocks below, the contents of his skull oozing out. We are told that his body twitches a bit, “like a pig’s after it has been killed.” The boys watch in horror as the waves wash up and suck Piggy’s body into the sea. Jack rushes forward, screaming that he really is chief now because the conch is gone. He hurls his spear at Ralph and it jabs into Ralph’s ribs. Ralph turns and runs, with the savages after him. They throw their spears, but none hit him and he manages to escape into the forest. Jack returns to home base, standing with Roger in front of Sam and Eric and demanding they join his tribe. There’s an interesting Jack-Roger moment here; we are told that Roger edges past Jack, “only just avoiding pushing him with his shoulder.” While Jack had only shouted and poked at the twins, we end the chapter with Roger advancing towards them menacingly – “yielding a nameless authority.”

- **Organizational Development**

A comparative study is done for the steps adopted for organizational development by Ralph and by Jack and the resulting outcome.

Underlying values in most OD efforts	RALPH	JACK
RESPECT FOR PEOPLE Individuals perceived as being responsible, conscientious and caring. Treat with dignity and respect	Golding gives us the reason for Ralph's election. None of the boys could have found good reason for this; what intelligence had been shown was traceable to Piggy while the most obvious leader was Jack. But there was a stillness about Ralph as he sat that marked him out: there was his size, and attractive appearance; and most obscurely, yet most powerfully, there was the conch.	Does not treat people with dignity and respect No adults Not bothered about boy who faints Not Jack merriew Do not need you Anyone who breaks rules Laughs about beasts suggests using littlun as pig
TRUST AND SUPPORT trust, authenticity, openness, supportive climate	Ralph insists that a signal fire must be made so that when his father comes to rescue them on a ship, the men on board will see the smoke and know where to find them. The assembly was lifted toward safety by his words. They liked and now respected him. Spontaneously they began to clap and presently the platform was loud with applause. More unspecified time has passed. The boys have developed a sort of rhythm in their lives that involves the littluns playing together, the biguns (Jack and the choir boys) still hunting pigs, and the other boys (Ralph, Simon, and Piggy) trying to build shelters and keep the signal fire going.	No trust, authenticity, openness, or supportive climate Leaves the group Steals fire and, Piggy's spectacles Rules are enforced by Jack
POWER EQUALISATION deemphasise hierarchical authority and control	Ralph assigns work, gives Jack leadership of hunter group, Has meetings, believes in taking people along.	Only Jack makes rules uses fear factor
CONFRONTATION problems not swept under the rug - openly confronted	Ralph realizes they are stranded hence divides work, makes plans Ralph discusses beast and goes to find it Jack openly opposes Ralph against favouring piggy, against not being capable Ralph confronts Jack asking him why he hates Ralph Ralph also confronts Jack to get back Piggy's spectacles	He confronts Ralph accusing him of vested interests
PARTICIPATION people involved in decision making will be more committed to implementing the decisions	As Ralph lets Jack to head the hunter group, Jack ensures that his group hunts and initially also keeps his word at keeping the fire going As Ralph involves all the boys in the meeting they mostly observe the rules especially the right to speak while holding the conch. Jack inspire of all his bravado points out that the conch is broken and hence the power is now his	Forces decisions
OUTCOME	Group gets into a routine – attend assembly – observe the authority of the conch. A proper group is developed.	Hence Jack's group disintegrates into savages – unable to develop the organization

Table 0-1 : Organizational Development

Various other Management concepts like leadership theories, group dynamics (steps in forming a group, Myer Brigg's personality model can also be taught using *Lord of the Flies*.

5.0 Conclusion

Management concepts should be taught in an interesting manner using various art and literary forms like novels, drama and films. The technique of using literature as a Management teaching tool should be introduced in B-schools. The current generation of students whose attention span is on a diminishing trend may find it easier to tackle short case studies as compared to long novels. Short stories, one act plays could be used to teach Management concepts. Training programs to train faculty in this technique should be conducted. B-schools could procure well-structured case studies based on novels which are available from institutions such as The Hartwick Humanities in Management Institute and Harvard Business School. Universities can introduce a novel for analysis similar to the rapid reader concept in schools. Student's perceptions could be studied at regular intervals in order to tailor courses that meet the needs of the students and reach acceptable standards. A combination of novels could be used to teach a subject.

Some novels are listed for various in topics in the following Table.

Theme	Novel	Author	Character(s) to study	Publisher	Year of Publication
Organization Behaviour	Dead Famous	Ben Elton	David, Inspector Coleridge	Bantam	2001
	Animal Farm	George Orwell	Napolean, Snowball, Boxer, Squealer	Pengin	2003
Leadership	All the King's Men	Robert Penn Warren	Willie Stark	Houghton Mifflin	1946
	The Beach	Alex Garland		Penguin	1987
	Harry Potter and the Goblet of Fire	J K Rowling	Harry Potter, Dumbledore	Bloomsbury	2002
Ethics	To Kill A Mocking Bird	Harper Lee	Scout, Atticus, Jem	Harper Collins	2006
	Cry the Beloved Country	Alan Paton	Stephen Kumalo, James Jarvis, Absalom Kumalo, Arthur Jarvis, Theophilus Msimangu	Penguin	2000
	The Devil & Miss Prym	Paulo Coelho	Chantal, Carlos, Priest	Harper Collins	2000

Organizational Change	Power	Nick Dear	Louis	Faber and Faber	2003
	Something Dangerous	Penny Vincenzi	Venetia, Adelle	Orion	2002
Human Resource Management	Bridget Jones Diary	Helen Fielding	Bridget	Picador	1997
	The Grass is Singing	Doris Lessing	Charley Slatter, Dick, Mary, Tony Marston	Flamingo	2000
Communication	Talking it Over	Julian Barnes	Stuar, Oliver, Gillian	Picador	1992
Personality	The Adventures of Huckleberry Finn	Mark Twain	Huck, Jim, Tom	Dover	1994
	The Great Gatsby	F.S. Fitzgerald	Nick, Gatsby, Daisy, Tom	Scribner	1925
	One Flew Over the Cuckoo's Nest	Ken Kesey	Nurse Ratched, Chief Bromden, Randle McMurphy	Penguin	1996
	Pride and Prejudice	Jane Austen	Darcy, Elizabeth, Jane, Mr. Bennet, Mrs. Bennett, Collins, Bingley	Thomas Egerton	1813

Table 0-2 : Novels to Teach Management

As literature is often more in tune with real life than theory, it appeals to the imagination and emotions of readers, it evokes a deeper response in students than theory alone does. The use of literature as a Management teaching tool is an innovative Andragogy which shifts the focus from the teacher's teaching to the student's understanding.

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Values Based Principle-Centered Leadership in the Positive Ethical Organization: Choosing Service Over Self-interest and Safeguarding our Common Future

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Abstract

Spiritual Leadership through vision, hope/faith, and the values of altruistic love provides insights for servant leadership theory, research, and practice. Legacy Leadership can add to the innovation and creative capacity of 'human capital'. It is a newer organisational paradigm which involves motivating and inspiring workers through a transcendent vision and a culture based on altruist values.

Globalization has thrown in new challenges in managing projects, people, production and market places. Corporate downsizing and greater demands on workers add to these challenges. The World Health Organization has named stress as the 'Health Epidemic of the 21st Century'. This need has pushed leadership to adopt new approaches to utilize the time, human resources and the potential of the workforce (Dhang, 2013).

The reduction of employees to roles and tasks may affect not only their working life but mental wellness and perception of personal fulfilment. In addition, processes of employer recruitment and selection, employee self-selection, cultural socialization, and reward systems have given rise to Extended Work Hours Cultures in many organisations. Such cultures reinforce negative workaholic tendencies. This research argues for the adoption of an organic view of organizations focused on complete human beings at work who are in relationship with one another. This paradigm shift includes multiple dimensions such as a shift from self-interest to service and stewardship (Neck and Milliman, 1994), and a change from materialistic to a spiritual orientation (DeFoore and Renesch, 1995).

Key Words: *Servant and Transformational leadership; Spiritual Leadership; Spirituality in the Workplace; Management by Values.*

1.0 Introduction

Rapid global, societal and organisational change has brought to the forefront an urgent need to integrate the different areas of human existence: body, mind, heart and spirit. More individuals are giving priority to self-actualisation through their work lives and feel inspired to create change

through a sense of sacredness and purpose in their work. They feel inspired to ‘develop their complete self at work’ by expressing their personal values and spiritual beliefs, in the workplace (Lund Dean & Safranski 2008). Leaders are searching for ways to ‘leave a legacy’ by contributing to society as a whole, (Covey 1995). As a consequence the organisation also reaps the benefits of high morale, a decrease in absenteeism and, ultimately, profits.

According to Ashmos and Duchon (2000), spirituality is neither about religion nor about getting people to accept a specific belief system. Rather it is about employees who understand themselves as spiritual beings with a sense of connectedness to one another and to their workplace community. Workplace spirituality has been defined as the framework of organisational values that leads to a sense of the transcendence and interconnectedness of all life, so that workers experience personal fulfillment on the job (Giacalone & Jurkiewicz 2003).

According to Mitroff and Denton, (1999), spirituality is “the basic feeling of being connected with one’s complete self, others, and the entire universe” (p.86). Dehler and Welsh (1994) defined spirituality as “a specific form of work feeling that energizes action” (p. 19). Ashmos and Duchon (2000) discussed spirituality in the context of community work, and Benner (1989) believed that spirituality involves the process of establishing and maintaining a relationship with God.

Today’s reality is that workers world-wide are facing increasing demands to work extended hours, and consequently they experience considerable work overload. Mainly economic rewards are introduced in such a scenario to motivate the workers. With the increase in such outer work, there is also noticeable decrease in inner resilience, joy and inner strength. Increasing incidences of stress, burn-out, heart attacks, injury, interpersonal conflicts, employment insecurity, forced resignation, dismissal bullying and even death result from a heavy workload.

According to Fassel (1988), Organizations are often ‘infected’ with paranoid, obsessive-compulsive, and depressive neurotic behaviour by chief executives and leaders. In such organisations leaders reinforce and reward workaholics and employee self-centeredness. Such over control makes participation an exercise to protect the economic position and power of the organization’s leaders. The impact from this unfolds throughout all levels of the organization.

This implies that organization cultures that are based on values and underlying assumptions of dishonesty, deceit, favouritism, and greed (e.g., Enron, WorldCom and Tyco International) can lead top managers to make choices that are injurious to employees and key stakeholders. It also implies that it is important to keep checking and rechecking if the organization culture reflects altruistic values of respect, fairness, honesty, care, compassion and trust. Such integral values

would help a culture of trust to emerge in the work field. Similar to the individual level, there have been calls to apply the 12-step program that help dysfunctional organizations to recover (Mitroff et al., 1994; Robinson, 1998).

Ethical well-being is defined as living one's values, attitudes, and behaviour from the inside-out in creating a principled-center congruent with the universal, consensus values inherent in spiritual leadership theory (Cashman, 1998; Covey, 1991; Fry, 2003).

Three key issues that can be addressed using spiritual leadership theory (Fry, Matherly et. al, 2007) as an integrating framework are:

- The universal or consensus values that are necessary for servant leadership;
- The role of servant leadership in achieving congruent and consistent values, attitudes, and behaviour across the individual, group, and organizational levels;
- The personal outcomes or rewards of servant leadership for both leaders and followers;

Greenleaf's (1977) 'test' for those who would be identified as servant-leaders:

"The best test, and most difficult to administer, is this: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And what is the effect on the least privileged in society; will they benefit, or, at least, not be further deprived"

Organizations must now compete in a global economy with worldwide labor markets that are instantly linked with information via the internet and the web world. Global issues and global needs have come to the forefront. This brings our oneness and interconnectedness to the forefront which cannot be ignored by leaders, if truly satisfactory and fulfilling results are desired.

Wagner-Marsh and Conley (1999) suggested that there has been 'an organizational fourth wave', referring to an aftermath of Toffler's (1980) technological third wave and they called this 'the spiritually based firm'. In the past, the economically rational view of organizations proved practical and successful in the execution of tasks and services, delivery of goods to customers through appropriate labour division, incentives, standardization and the grant of returns to shareholders. Employees are often carefully selected to be amenable and to comply with organizational practice. There is an implicit belief that people are similar enough to be molded and to be treated identically (Welch, 1997). For instance, the selection process may not consider an individual's potential in leadership qualities, dance, graphics, organizing, coaching, dramatics

and writing because it is not part of the job description. Employees are like one-like-another cogs with their similarities fitting into each other's and turning the wheel of organizational outputs. If this model is successful and motivating then it should also produce mentally healthy states in individuals. Mentally healthy individuals would be expected to demonstrate peace of mind, compassion, joy, light-hearted, emotional buoyancy, creativity and responsiveness. Instead, the academic literature reports on rising work related stress (e.g., Siu and Cooper, 1998; Jamal, 1999) mainly in industrialized countries (Dollard and Winefield, 1996).

According to Barbara Heyn (2006), Globalisation is creating these new organisational challenges:

- **developing global teams** - which requires sensitive treatment
- **approaching cultural diversity as a strength** - which requires great perception, awareness and openness to possibilities
- **making ethical decisions** - which requires a strong sense of what is right, including compassion, humanity, and a spiritual connection

Bass (1998) states that the transformational leader's commitment derives from the leaders own conscience and internalized values. Decisions are often guided by a feeling of oneness. The voice of conscience and values often comes from religious teachings or a spiritual sense of connection with a Higher Power or God. This is reflected in the compassion and level headedness in interactions. A prime example in this respect is The Dalai Lama.

Kuhnert & Lewis (1987) argue that transformational leadership requires mature moral development. One acts according to the values one gives priority to. Philosophy can provide a source of guidance for some individuals, but most people look to their spirituality or faith to develop this type of personal growth. It equips individuals to make a difference in society even if they have to face setbacks.

Strong alignment is defined as a high number of value matches between the personal values of employees and the values of the organization. Barrett (2003) found that highly aligned, value-based organizations emphasize employee fulfillment and customer satisfaction, and are highly profitable. Lloyd (1990) has mentioned in his article that organizations high in workplace spirituality outperform those without it by 86%. Also, such organizations are high in motivation, reportedly grow faster, increase efficiencies and produce higher returns on investments.

Supporting this premise, Mitroff and Denton (1999) proposed a new organizational paradigm that:

- Embodies concepts such as the existence of a supreme power,

- Pledges responsibility to multiple stakeholders, and
- Paves the path for businesses to take the evolutionary step of changing from values-based
- Companies into spiritually-based organizations.

2.0 Significance of the Study

As Howard (2002) states: “Leaders are beginning to understand more fully the complete impact that their behaviour has on others, on organizations and the sustainability of the planet”. This includes safety, security and health issues, well-being of families, children and even future generations. There is strong evidence from research that most individuals in society are in search of spiritual certainties such as hope, vision, happiness and purpose (Howard 2002).

A lack of spiritual cohesion and a concomitant sense of shared and unified morality can be seen in fraud and corruption in business. People are increasingly feeling victimized and frustrated in the face of corruption. Conner and Douglas (2005) showed that stress can negatively affect the effectiveness of organizations by increasing the number of absentees, turnover, and unpredictable behaviours. Often, monetary greed is more evident in interactions than empathy and sensitivity. It has also been noted in the literature that issues relating to compassion and care are still relatively unexplored areas of research and this study intends to make some headway in remedying this situation. Questions that will be addressed within the context of this study reflect on; what is the meaning and purpose of work and how can this be better managed to make it more meaningful? And to what extent does low morality, stress, and lack of empathy and caring for people, impact the organization culture?

Another very significant aspect of the theoretical foundations of this study is that there is a sense of progression or movement from a sense of “pure” spirituality to an “applied” spirituality. (Heaton et al 2004). This paper attempts to unfold a new paradigm in Human Resource Management i.e. Workplace Spirituality (WS) and how it is helping employees to cope with stress in their lives, improve concentration, enhance creativity, increase efficiency, and build a greater sense of purpose and teamwork. Spirituality now is something more than that of, simple meditation and yoga. It is the art of reliving stress and mental hazards. (<http://artoflivingcourses.blogspot.in/2010/08/achieving-personal-excellence-apex.html>).

- This study will thus try to find answers to the following questions:
- What is Spirituality?
- What are the characteristics of Spirituality at Work?

- What are the characteristics of Spiritual Leadership?
- Is there a potential to practice the concept of Spirituality in the Workplace?
- As Korac-Kakabadse et al. (2002) point out: Spirituality and consciousness are not irrational, 'far out' beliefs but, rather, the core of dynamic evolutionary systems and, thus, must be included in analysis and practice of organizational design, change and management.

Effect of Spirituality in Workplace on Job Performance

Social Scientists confirm that a newer framework based on a balance of profits, quality of life, spirituality, and social responsibility concerns has brought about a paradigm shift in organizational sciences, management theory and practice in the past two decades (Giacalone and Dafna, 2000).

Business Professor Ian Mitroff (Mitroff, 1999) indicates that organizations which identify themselves as spiritual have employees who:

- Are less fearful of their organizations and increasingly calm and anxiety free.
- Are less likely to compromise their basic beliefs and values in the workplace; this results into a strong self-identity and self-esteem.
- Perceive their organizations as being significantly more profitable; they are more creative, innovative and willing.
- Report that they can bring significantly more of their complete selves to work, especially their creativity and intelligence. To realize their full potential as a person (McCoy, 2001).

3.0 Organisational Transformation (OT)

“For those of you who are leaders, your challenge is to recognise that the impact you have on the world depends on your ability to grow in consciousness – to become a full-spectrum leader.” - (Barrett, 2006).

A key to bring about OT is to understand the shadow side of leadership: power, greed, the lure of wealth and the temptation to self-delusion, over-control and vanity. It also begins with the willingness of a leader to examine their own core values and behaviours such as compassion and care. The importance of 'being' and grounded behaviour should be given more importance than 'doing' if a leader wishes to conquer cynicism and burnout due to the heavy requirements of the leadership role. Being involves inner work through self reflection leading to inner peace and spiritual insights. It helps the leader to succeed through sharing knowledge, mentoring,

appreciation, encouragement, collaboration and partnership. It involves leading and managing by using spiritual values that drive fear and over control out of the workplace and engage the emotions and minds of people (Kolodinsky et al. 2008). However, to truly transform an organisation, leaders must be committed to a long-term spiritual vision and have the ability to stick with it over time as one may need practice, go through trial and error in the initial phase and encounter teething troubles.

Barrett's model (2003) assumes that leaders who are able to operate from the full spectrum of consciousness and have a high degree of value alignment with their employees would outperform the market in customer satisfaction and shareholder value. Barrett's strategy is founded on 7 – rather Maslow-like – “levels of consciousness.” His assessment questions ask people to choose their top ten personal values, as well as the top ten current cultural values (as they see demonstrated in their workplace) and the top ten cultural values they would like to see in their organizations. It is a simple and effective technique and requires around 15 minutes.

Spiritual Leadership as a Paradigm for Organizational Transformation

Ethical leadership is supported by the leader's moral character and the leader's vision and values, which followers may embrace. It also includes the moral premise of the decisions and actions that leaders engage in and collectively pursue (Brown and Trevenio, 2006). Fry and Matherly (2006) found support for spiritual leadership as a significant and important driver of organizational commitment, and productivity, as well as sales growth. It also leads to high levels of stakeholder satisfaction,

Relative to enthusiastic workaholics and non-workaholics, non-enthusiastic workaholics experience higher levels of:

- pessimism,
- impaired judgment,
- stress and burnout,
- have more personality breakdowns
- health related problems
- exhaustion,
- insomnia,
- agitation,
- substance abuse,
- Cardiovascular complaints,

- depression,
- anger,
- apathy and
- Secondary addictions such as drugs or alcohol.

Such tendencies can diminish family and almost all other activities (Bonebright et al., 2000; Griffiths, 2005; Kiechel, 1989). Such individuals may therefore be in need of spiritual development programs for change and recovery. Such mentoring will help the individuals to move from mental, emotional and spiritual stress towards a higher happiness quotient. The negative outcomes of workaholicism can be transformed to positive. The non-enthusiastic workaholic will move from an extrinsic to an intrinsic motivation base (Fry, 2003).

Corporate Social Responsibility	Conscious Business
Shareholder-oriented	Stakeholder-oriented
Independent of corporate purpose	Incorporates higher purpose
Adds ethical and financial burden to business goal	Reconciles caring and profitability through higher synergies
Consistent with traditional, mechanistic view of business	Holistic ecosystem view of business as complex adaptive system
Often grafted on traditional business model, usually as a CSR or PR department	Social responsibility is at the core of the business model and is the responsibility of the entire company
Easy to meet as a charitable gesture, mostly a PR strategy	Requires genuine transformation
Assumes all good deeds are equally desirable and are not connected to the company's core mission	Requires that good deeds also advance the company's core mission

Adapted from: Mackey, J. (May 2011). Conscious business and conscious capitalism: New paradigms for the 21st century. Third Annual International Conference on Conscious Capitalism. Bentley University, Waltham MA.

Figure 1 : Corporate Social Responsibility versus Conscious Business

Creating Organizations Inspired by the Next Stage of Human Consciousness

The most exciting breakthroughs of the twenty-first century will not occur because of technology, but because of an expanding concept of what it means to be human.

- John Naisbitt

The spiritual paradigm helps the organization to make a shift from external to internal yardsticks in decision-making. Individuals are now concerned with the question of inner rightness:

- Does this decision seem right?
- Am I being true to myself? Is
- Is this in line with who I sense I'm called to become?
- Am I being of service to the world?

Decisions resonate with deep inner convictions. Recognition, success, wealth, and belonging are viewed as pleasurable experiences, but also as temptations traps for egoistic gratification. We pursue a life well-lived, and the consequence might just be recognition, success, wealth, and love. Practices like meditation, centering, martial arts, yoga, or simply walking in nature to find a quiet place brings inner clarity and a developed intuition and purpose. We can create a shared space safe from judgment, where our deep listening helps others to find their voice and their truth, just as they help us find ours. We see the foolishness and arrogance of mankind's stance of putting itself above the rest of life and try to find a more truthful and humble place in the midst of it.

A harmonious spiritual attitude can change how we structure and run organizations. Many of the corporate ills today can be traced to behaviours driven by fearful egos: politics, bureaucracy, information hoarding and secrecy, ignoring critical but challenging areas, lack of integrity and honesty, confrontations, decision-making concentrated at the top of organizations, and so forth. In organizations, driven by spiritual leadership, of these corporate ills can be removed as trust replaces fear,

This assertion is supplemented well by Barrett's (1998) findings. He found that three key studies of long-lived business organisations with superior financial performance had the following characteristics in common:

- A strong, positive, values-driven culture, incl. articulation of core values as guiding principles
- A lasting commitment to continuous learning and self-renewal
- Flexibility to ensure adaptation to changes in internal and external environments

- Strategic alliances with internal and external partners (customers, suppliers)
- Willingness to take risks and to experiment, incl. tolerance to new ideas
- A balanced approach to measuring performance factors such as financial results, efficiency, quality, collaboration with suppliers and customers, learning, corporate
- contribution to the local community and society, organisational cohesion and employee fulfillment

When people are in the process of shifting from one paradigm to another, their ideas, values and beliefs as well as their actions and practices will gradually change (Fairholm, 1998).

Results of Practicing Spirituality in the Workplace

- Honesty and trust within the organisation (Barrett, 1998; Wagner-Marsh and Conley, 1999)
- Employee commitment and personal fulfilment (Krishnakumar and Neck, 2002)
- Responsibility and accountability (Barrett, 1998)
- Productivity¹⁹ (Barrett, 1998; Kriger and Hanson, 1999; Krishnakumar and Neck, 2002)
- Innovation and creativity (Barrett, 1998; Kriger and Hanson, 1999; Krishnakumar and Neck, 2002)
- Knowledge transfer and decision making (Kriger and Hanson, 1999)
- Focus on and service to customers (Kriger and Hanson, 1999; Krishnakumar and Neck, 2002)
- Problem-solving capabilities (Burack, 1999; Krishnakumar and Neck, 2002)

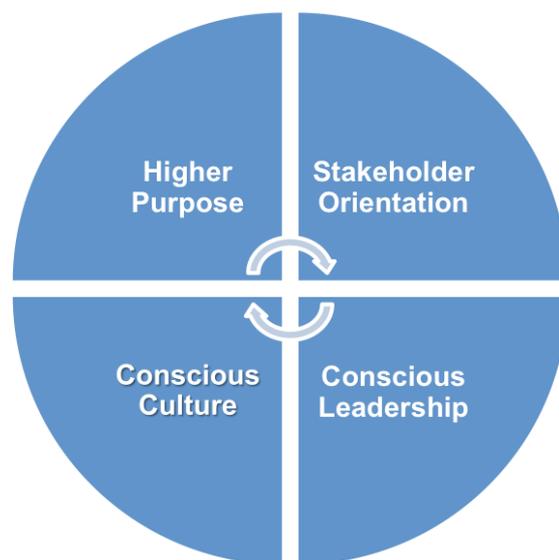


Figure 2 : A Model of Conscious Leadership. (Courtesy: Integral Leadership Review)

4.0 Research on Servant Leadership

Recently Whittington and his associates (Whittington, Pitts, Kageler, & Goodwin, 2005) have developed A model of spiritual leadership has been developed by Whittington and his associates (Whittington, Pitts, Kageler, & Goodwin, 2005) which they refer to as legacy leadership. Legacy leadership incorporates and extends the characteristics of servant leadership and is consistent with spiritual leadership theory (Fry, 2003; Fry & Whittington, 2005). The most basic premise of legacy leadership is that legacy leaders must exhibit the values and attitudes of spiritual leadership and that a legacy leader's actions and decisions are consistent with his/her internal motivation and vision based on selfless service, harmony, fairness and Corporate Social Responsibility. It encourages the practice of spiritual values such as peace, non-violence and harmony and followers of legacy leaders internalize these motives and values they perceive in the leader. This internalization may result in a shift from egotistical to altruistic motives, or a strengthening of already existing altruistic motives such as gratitude (Covey, 1991; Goodwin, Whittington, & Bowler, 2004). These changes in motives and values will result in changed attitudes toward the organization (job satisfaction, commitment), and in outward behaviours such as increased performance, organizational citizenship behaviours, and other pro-social behaviors.

Spirituality in Workplace and Job Performance

Fry and Matherly (2006) identified spiritual internalized general regulative ideal, based on four common spiritual virtues: self-transcendence, interconnectedness, meaning and one's ultimate concern, that governs what individuals perceive and value and how they act. Harrington et al. (2001) suggested that Spirituality and its components must be understood with greater precision to allow businesses to adopt policies and programs that energize the spiritual nature of their employees. Fry and Matherly (2006) identified Spiritual Leadership Theory (SLT) as a causal theory for organizational transformation designed to create an intrinsically motivated, learning organization. They argued that spiritual leadership is a major driver for employee commitment which should be investigated in future research.

Definition

Burack (1999) defined workplace spirituality by using three concepts of spirituality in the workplace as his working definition:

- *Spiritual growth and advancement of the human experience involve mental growth – problem solving and individual learning will often be the main vehicles of individual development.*
- *Spiritual growth reflects the gratification of individual needs especially “belonging” and those of higher order such as a sense of achievement.*
- *The individual's context for these is broad encompassing work-family connections and work-place settings.*

Spirituality in the workplace is communicated and reinforced through the institution's leaders, organizational culture, policies and work design among other factors.

Also, workplace spirituality has been defined as "a framework of organizational values evidenced in the culture that promote employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy" (Giacalone & Jurkiewicz, 2004, p.129)

Factor analytic studies on spiritual leadership by Laub (1999), Dennis and Winston (2003), Sendjaya (2003), Liden, Wayner, Zhao, and Henderson (2005), Barbuto and Wheeler (2006), as well as Dennis and Bocarnea (2005) resulted in distinct factors including

- Emotional healing; creating value for the community; conceptual skills; empowering, helping subordinates grow and succeed, putting subordinates first, behaving ethically (Liden, Wayner, Zhao, & Henderson, 2004),
- Wisdom; persuasive mapping; organizational stewardship; altruistic calling, emotional healing (Barbuto & Wheeler, 2006),
- Altruism, service to others, hope, integrity, accountability, transcendent spirituality (Sendjaya, 2003),
- Trust, empowerment, vision (Dennis & Bocarnea, 2005),
- Listening (Dennis and Winston, 2003).

Attributes of Non-enthusiastic Workaholics (Mitroff et al., 1994; Schaefer and Fassel, 1988; Verbos et al., 2007).

- Identity Issues,
- Rigid Thinking,
- Denial,
- Self-centeredness,
- Perfectionism,
- Dishonesty,
- Scarcity Model of Never Getting/Having Enough,
- Unrealistic Expectations and an Extreme Need to Control,
- Frozen Feelings or No Emotional Intelligence,
- Ethical Deterioration,
- Spiritual Bankruptcy,

- Unreasonable Work Standards,
- Have More Hostile Interpersonal Relationships and
- Less Likely to Delegate Work to Others

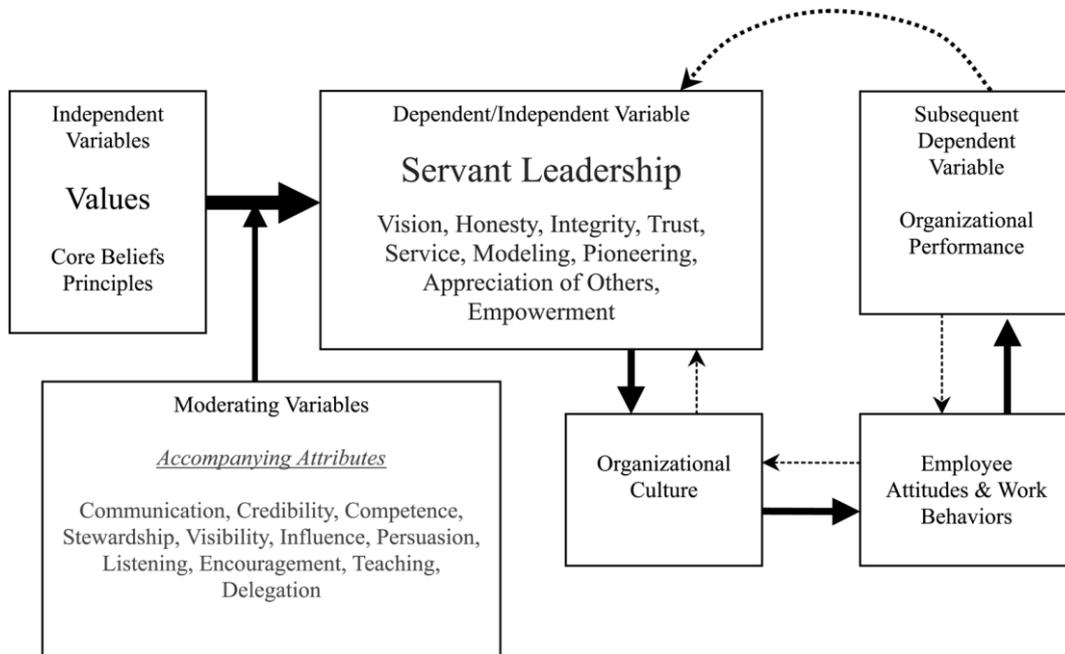


Figure 3 : Servant Leadership Model Source:
<http://cronkitehjh.personal.asu.edu...>(<http://www.quazoo.com/q/Leadership>)

A review of the literature reveals at least three conceptual *leader-organization* models (Russell & Stone, 2002; Wong & Page, 2003; Parolini, 2004) and two *leader-follower* models (Patterson, 2003; Winston, 2003) of servant leadership. Each model proposes certain values (e.g., core principles, character-orientation, and love) as the independent variable driving servant leadership behaviours and ultimately leadership effectiveness.

Russell and Stone (2002) evaluated the characteristics of servant leaders. They assimilated the servant leadership attributes into a rational model. They consolidated a list of 20 distinguishable attributes found in servant leadership literature, and divided the list into

- a set of nine *functional* attributes (vision, honesty, integrity, trust, service, modeling, pioneering, appreciation of others, and empowerment) and
- 11 *accompanying* attributes (communication, credibility, competence, stewardship, visibility, influence, persuasion, listening, encouragement, teaching, and delegation).

In the Russell and Stone model postulates that servant leadership affects organizational performance, mediated by organizational culture and employee attitudes.

Wong and Page (2003) also developed a values-based conceptual framework and model for describing servant leadership. Their model recognizes 12 servant leadership attributes conceptually classified into four orientations:

- character-orientation (i.e., integrity, humility, and servanthood),
- people-orientation (i.e., caring for others, empowering others, and developing others),
- task-orientation (i.e., visioning, goal setting, and leading), and
- Process-orientation (i.e., modeling, team building, and shared decision-making).

Wong and Page used expanding concentric circles, with character-orientation as the innermost circle, followed by people-orientation, task-orientation, and process-orientation to visually represent the sequence in the development, practice, and influence of servant leadership.

Parolini (2004) clarified the outcomes of servant leadership as increased organizational effectiveness, business performance, and financial performance. He posited that servant leaders are defined by their ability to bring integrity, humility, and servanthood into caring for, empowering, and developing others in carrying out the tasks and processes of

- visioning,
- goal setting,
- leading,
- modeling,
- team building, and
- Shared decision making.

Moreover, servant leaders prioritize human resources, then open systems and internal processes to deliver optimized business performance, financial performance, and organizational effectiveness. According to Kolodinsky, Giacalone and Jurkiewicz (2008:265–266) the implementation of spirituality in the workplace can be viewed from an organisation-centred perspective, Organisations are classified into groups based on their principle of spirituality as religion-based, evolutionary, recovering, socially responsible and values-based (Mitroff & Denton 1999). There is an effective interaction of the individual employee's personal spiritual values with the spiritual values of the organisation. Mitroff and Denton (1999) view a best-practice model as one that begins with a values-based organisation and then incorporates aspects of the other spirituality models. For example, the socially responsible model.

Clearly, spiritual leadership theory, along with the legacy leadership and servant-leadership models, offers a set of moral and inspirational models of leadership (Graham, 1991). SLT (spiritual leadership theory) explicitly addresses the need for contemporary leaders to align their behaviours and beliefs with a set of universal or consensus values.

Kotter (1991/2001) describes how listening to new ideas from employees led to an almost 50% increase in market share in one product line for Procter and Gamble. Listening to new ideas enhances creativity and innovativeness in the organization. Leadership scholars Kouzes & Posner (1995, 1999) call the practice of praise as encouraging the heart through recognizing individual contributions to the success of every project. Studies indicate that spiritual practice in daily life encompasses not only practicing kindness toward others, but also taking time for individual self-examination and/or communication with God: prayer, meditation, spiritual reading and journaling (Neal, 2000).

Research shows that these practices also promote leader performance and health resilience (Quick, Gavin, Cooper, Quick, & Gilbert, 2000) and transform stressful negotiations to more relaxed communication that led to creative solutions for everyone in a win-win situation (Weaver & Aaraj, 2002).

One study of outstanding global leaders discovered that they experience a silent, expanded, restfully alert, and non-attached state of consciousness, which forms the basis of higher states of consciousness, much more frequently than comparison groups (Haring, Heaton, & Alexander, 1995).

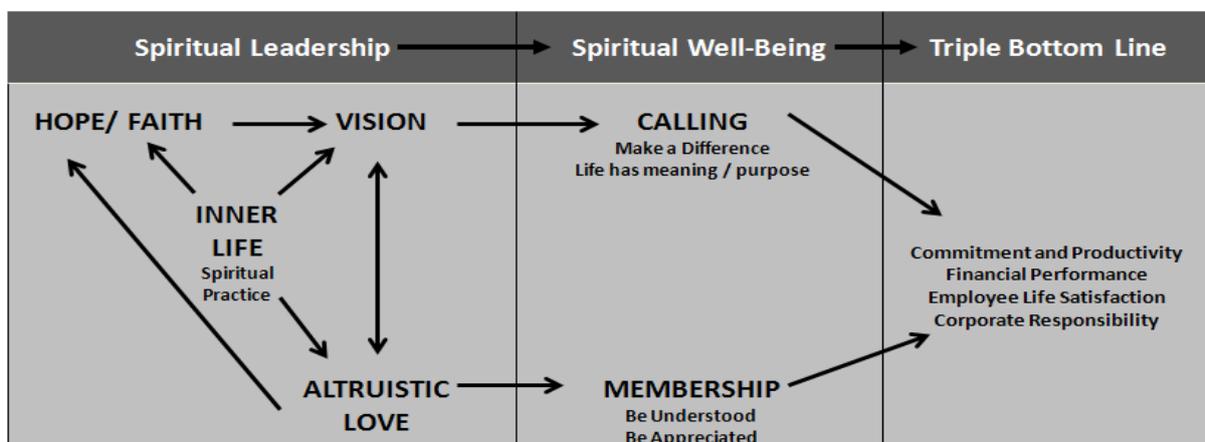


Figure 4 : The Organizational Spiritual Leadership Model (Courtesy: <http://ispiritualleadership.com/spiritual-leadership/>)

The Components of the Spiritual Leadership Model

Spiritual leadership, with inner life as its source, emerges from the interaction of, hope/faith, vision, and altruistic love. The qualities of Spiritual Leadership are mentioned below.

The Qualities of Spiritual Leadership

Vision

- Broad Appeal to Key Stakeholders
- Defines the Destination and Journey
- Reflects High Ideals
- Encourages Hope/Faith
- Establishes Standard of Excellence

Altruistic Love

- Trust/Loyalty
- Forgiveness/Acceptance/Gratitude
- Integrity
- Honesty
- Courage
- Humility
- Kindness
- Compassion
- Patience/Meekness/Endurance
- Excellence
- Fun

Hope/Faith

- Endurance
- Perseverance
- Do What it Takes
- Stretch Goals
- Expectation of reward/victory
- Excellence

5.0 Tools of Spirituality

Spirituality is being practiced at the workplace through various tools and strategies. These techniques are different in nature but all leads to the single essence of life, i.e. to awaken your inner self and feel centered and grounded so as to justify your way of work and to make yourself mentally and morally more fit. A few of the popular tools of Spirituality which are in practice nowadays are:

- Silent form of Meditation
- Transcendental Meditation
- Mindfulness
- Prayer at workplace
- Yoga for fitness

Many organizations are recognizing the significance of supporting self reflection employees' in their workforce. Cordon Bleu-Tomasso Corporation has established a room for inner silence. Australia and New Zealand Banking Group Ltd's (ANZ) have developed training programs focusing on 'High Performance' mind techniques and 'quiet rooms' for individual spiritual practice (<http://iispiritualleadership.com/spiritual-leadership-theory/>).

Spirituality has many benefits for stress relief and overall mental health. It can help to:

- Feel a sense of purpose.

Stress is eliminated because there is reduced focus on insignificant matters

- Connect to the world.

A purpose in life helps to enhance inter-connectedness

- Release control.

Inner peace helps one to get away from many disturbing anxieties and fears.

- Expand your support network.

The sharing of spiritual expression can help build relationships.

- Lead a healthier life.

For example stress related illnesses are less prevalent and individuals are able to have more energy and joy.

In addition to prayer and study groups, other spiritual practices at companies include meditation; centering exercises such as deep breathing to reduce stress; visioning exercises; building shared values; active, deep listening; making action and intention congruent; and using intuition and inner guidance in decision-making. Meditation classes are now held at many major corporations, such as Medtronic, Apple, Google, Yahoo, McKinsey, Hughes Aircraft, IBM, Hughes Aircraft, Cisco, Raytheon (McLaughlin, 2006).

Recent experimental research has made evident that when compassion is developed through loving-kindness meditation, the individuals gain the benefit of higher levels of life satisfaction and lower levels of depressive symptoms (Fredrickson, Cohn, Coffey, Pek, & Finkel, 2008).

6.0 Management by Values

In the 21st century's global events that have caught our attention are corporate scandals, wars and natural disasters (e.g. Japan's recent nuclear plant accident). To progress and success it is not enough to manage increased complexity, but also practice and develop the core to our humanness – our values. This creates the necessity for a leader or any other change agent to become a value coach. It is based on partnering, sharing, dialoguing and agreeing, rather than controlling or using systems of authority (Dolan, 2011). This requires generating dialogue, sharing information and responsibilities to develop a unique culture.

The respected Dalai Lama, in *Ethics for the New Millennium*, speaks to the relationship between spirituality and religion:

“Religion I take to be concerned with faith in the claims of one faith tradition or another, an aspect of which is the acceptance of some form of heaven or nirvana. Connected with this are religious teachings or dogma, ritual prayer, and so on. Spirituality I take to be concerned with those qualities of the human spirit—such as love and compassion, patience tolerance, forgiveness, contentment, a sense of responsibility, a sense of harmony—which brings happiness to both self and others”

Values engage the heart of an individual and their practice helps develop inner resources. However, in highly successful organizations, each person is aware of their personal values and how these relate to the organization's value system, vision and mission statement. There is congruence and similarity between the individual and the organization and this fact effectively motivates the individuals and teams through enhanced intuition and inspiration. By doing this, they can start the process of culture reengineering of the organization with all its advantages as discussed in this study.

Spiritual Values	Sources
Truth, honesty	Kruger and Hanson, 1999; Butts, 1999; Fairholm, 1997; Barrett, 1998
Integrity, being true to oneself	Fairholm, 1997, 1998; Canfield and Miller, 1996; Briskin, 1998;
Freedom and fairness/justice	Fairholm, 1997; 1998; Butts, 1999; Mercer, 1999; Marcic, 1997
Service to others	Fairholm, 1997; Kruger and Hanson, 1999
Personal growth & development	Fairholm, 1997
Self-esteem, self-acceptance	Canfield and Miller, 1996; Fairholm, 1997
Love, caring	Canfield and Miller, 1996; Marcic, 1997; Fairholm, 1997;
Respect	Canfield and Miller, 1996
Commitment	Canfield and Miller, 1996
Courage	Canfield and Miller, 1996
Trust	Kruger and Hanson, 1999; Butts, 1999; Barrett, 1998
Humility	Kruger and Hanson, 1999
Forgiveness	Kruger and Hanson, 1999
Compassion	Kruger and Hanson, 1999; Barrett, 1998
Thankfulness	Kruger and Hanson, 1999
Stillness and (inner) peace	Kruger and Hanson, 1999; Fairholm, 1997
Creativity, innovation	Butts, 1999
Harmony, synergy, wholeness	Butts, 1999
Deeper meaning, higher purpose	Butts, 1999; Canfield and Miller, 1996
Ethics, morality	Butts, 1999; Marcic, 1997; Mercer, 1999; Fairholm, 1997
Empathy, sympathy	Mercer, 1999;

Table 1 : Values that Enable both Economic and Spiritual Growth

7.0 The Spiritual Leadership Balanced Scorecard Business Model and the Triple Bottom Line

The Spiritual Leadership Balanced Scorecard Business Model gives importance to stakeholder satisfaction and the spiritual values and spiritual strategies as key to maximizing the Triple Bottom Line, This is achieved through implementation of vision, purpose and mission. In this way vision and value congruence is created across all organizational levels. It also shows how spiritual leadership is related to enhance financial performance.

Triple Bottom Line Outcomes

- Individuals in work groups that experience high levels of spiritual leadership and spiritual well-being through calling and membership have higher levels of healthiness, emotional psychological wellness, and life satisfaction.
- Organizations based on hope/faith in a vision of service to stakeholders through altruistic love (spiritual leadership) are dedicated to being socially responsible.
- Spiritual leadership positively influences Organizational commitment, Productivity and continuous improvement (Fry, 2015)

People are a Crucial Resource to Leadership

Anita Roddick formed 'The Body Shop' stores worldwide. A soap factory built by her was situated near Glasgow, Scotland because it was an area of high unemployment, and consequently impoverished for education and medical facilities. She could sense discontent and demoralization among the people. On purpose she made the decision to employ the unemployable here. Marriott International employees around the world dedicate a day of service to their local communities annually. This act of service is called 'Spirit to Serve' program. Donating 100% of profits to charity or good causes is becoming increasingly popular. The goal for these companies is kindness and compassion (McLaughlin, 2006)

Protecting the Environment for Future Generations

Home Depot recently introduced a line of wood products grown through sustainable forestry practices. British Petroleum renamed itself Beyond Petroleum as it is developing alternative forms of fuel. Starbucks Coffee promotes water and soil conservation and reduction of chemical fertilizers and pesticides (McLaughlin, 2006).

Social Investment

Today it has become highly critical that organizations do not pollute the environment, violate fair labor practices, promote women and minorities, and display integrity in advertising?" Many stakeholders prefer to stay away from businesses that produce firearms, nuclear power, tobacco and alcohol. And now the Dow Jones Dharma Global Index keeps a track of corporations to ensure that they are in alignment with the principles of non-violence and earth stewardship (McLaughlin, 2006). Uplifting the destitute, shouldering the elderly, educating the illiterate or improving conditions in the rural areas; to creating awareness about the growing environmental hazards, or even protecting wildlife are important Corporate Social Responsibility (CSR) ventures.

8.0 Future Research and Implications

Future Research can focus on measuring applied spirituality in terms of behavior, sensory perception, mental processes, decision-making, emotional intelligence, intuition, insight and wisdom (Kinjerski and Skrypnek, 2004). A central assumption is that spirituality is a positive aspect and not a negative one. However spiritual aspects may also cause friction in the workplace due to factors such as opposing ideologies. Researchers can explore whether all spiritual experiences have a common foundation and whether the spiritual experiences in terms of different cultures and societies are fundamentally interchangeable and mutually applicable.

Extensive studies are available on the reflective practice of meditation but other reflective practices such as prayer, contemplation, and spiritual reading are virtually untouched in the spiritual paradigm of organizational psychology, business, and leadership. Similarly, the spiritual practice of forgiveness needs more research in terms of its effects, which are often said to be powerful and life-affirming (Reave, 2005)

The paper can serve any organizational development or change agent professional in reengineering the organizational culture of a given firm; it describes the essential components that an effective change agent needs in creating a sustainable culture of responsibility and success. It is clear that management philosophy has evolved from what we call ‘management by instruction’ (MBI) to ‘management by objectives’ (MBO), and on to ‘management by values’ (MBV) with an emerging concept of ‘**coaching by values**’ (CBV).

Spiritual Consultants in Organizations

Spiritual consultants can provide guidance and coaching for managers through lectures, workshops and courses. Consultants give primary significance to the existence of an *authentic source* (of light and love) within each individual and the need to open the heart.

9.0 Discussion

Dialogue is a key process for encouraging achievement of goals and overcoming challenges and moving from individual to group – even societal – transformation. Rather than control through rewards and punishments frequently, leaders can play an active role to increase the value quotient in an organization. When there is gratitude in the hearts of employees and happiness reflected in their eyes, it can transform and add quality to the entire culture of an organization. (Harle, 2004)

The following set of existential questions employees reflect on and ask themselves, introduced by Kouzes and Posner (2003), exemplify this search of meaning and purpose for employees (p. 69-70):

- “What do I stand for? What do I believe in? Why?”
- What is the meaning of the work I am doing? Where does this lead me to?
- Is there a reason for my existence and the organization's?
- What brings me suffering? What makes me weep and wail? Why?
- What am I passionate about? Why? What keeps me awake at night? Why?
- What do I want for my life? Why? What do I really care about? Why?” (p. 69-70)

These questions can go deep in the heart of employees and have implications for employees' careers, lives, needs, aspirations, passions, and spirituality.

A proliferation of book titles (currently over 500) reflects a growing national movement to bring spiritual values into the workplace: *Megatrends 2010*, *The Soul of Business*, *Liberating the Corporate Soul*, *Working from the Heart*, *The Stirring of Soul in the Workplace*, *Jesus CEO*, *What Would the Buddha Do At Work?*, *Spirit at Work*, *Redefining the Corporate Soul*, *The Corporate Mystic*, *Leading with Soul*, etc. Some books on this theme, such as Stephen Covey's pioneering *The Seven Habits of Highly Effective People*, have sold millions of copies (McLaughlin, 2009)

Promoting “one right path” or favoring a specific spiritual or religious paradigm will not satisfy the needs of diverse work environments (Hicks, 2003). A culture of respect for harmony and diversity of beliefs and faiths should be cultivated in the workplace by creating positive codes of conduct as well as instilling values of tolerance, patience and compassion (Milliman, Czaplewski, and Ferguson, 2003; Milliman et. al., 1999; Kouzes and Posner, 1995).

10.0 Conclusion

Fry, Vitucci and Cedillo (2005) empirically tested the Spiritual leadership causal model that shows positive relationship between spiritual leadership, spiritual well-being, organizational commitment and productivity. This indicates that spiritual coaching and building one's inner strength can be highly beneficial to an organization. The statistical results showed that there is a positive link or relationship from spiritual leadership, to individual outcomes which are organizational commitment, productivity and job satisfaction. Inner clarity has an effect on employee motivation and enthusiasm when leaders are more encouraging and appreciative

The most important assumption that influences this research on spirituality is that the pure spiritual experience, as in the case of detachment from illusion, "...gives rise to positive and measurable changes in health, personality, mental functioning and behavior "(Kinjerski and Skrypnek, 2004).

The spiritual values of:

- integrity,
- honesty,
- humility, and

The spiritual practices of:

- treating others with respect and fairness,
- expressing caring and concern,
- listening responsively,
- appreciating others, and
- taking time for personal reflection

have all been linked to quantifiable positive effects for organizations and individuals. They cause leaders to be judged as more effective by both their peers and their subordinates, and they lead to enhanced performance and increase in profits. They have been proven to be associated with increased worker satisfaction and motivation and enhanced productivity, sustainability, and corporation reputation (Sharma and Bharti, 2014).

This development has great implications for educational institutions in a developing future workforce capable of coping with new challenges and expectations in the world of work with the help of enhanced spiritual skills. Colleges are now offering business and management courses that deal with developing spiritual skills and their application (Neal, 1997; Barnett et al, 2000).

There is also evidence that workplace spirituality programs not only lead to beneficial outcomes such as:

- increased joy,
- peace,
- serenity,
- job satisfaction,
- commitment
- improved productivity and
- Reduced absenteeism and turnover.

Most importantly for organizational effectiveness, however, is the emerging research that that workplace spirituality could be the ultimate competitive advantage. Ed Quinn, a top business consultant in Philadelphia, feels that spiritual skills are much more beneficial than most organizations could ever imagine. He revealed that many companies he works with demand confidentiality about the spiritual techniques he teaches them—but it is definitely not because they're afraid of publicity about unconventional approaches. The real reason is they don't want their competition to learn how effective these approaches are. They don't want to share this secret of competitive advantage with other companies (McLaughlin, 2009).

Fry (2005) hypothesized that those practicing spiritual leadership at the personal level will score high on both life satisfaction in terms of joy, peace and serenity. In other words, they will:

- Experience greater psychological well-being.
- Have fewer problems related to physical health
- Want to stay in organizations that have cultures based on the values of altruistic love.
- Continuously improve and be more productive

Inner transformation solutions with sustainable and long lasting inner growth, peace and happiness are an urgent need in the world today. A Transformational Leader will be equipped to identify the dominant culture in the organization. If he/she detects that economic values are dominating, it may be a cause for concern. The leader may want to include some values associated with compassion and enjoyment. The organization may also need to address the need to generate a dialogue amongst team members to question the validity and the importance of the prevailing culture. The team members can then reach a consensus on what should be the desired culture based on spiritual values.

Adding a spiritual dimension to the workplace suggests some promising avenues for research and a hopeful future. However due to a lack of rigor, its full potential may not get realized and it may simply remain as a popular management fad. If spirituality retains its distinctiveness, as a seeking of that which human beings hold most sacred, then perhaps it could produce radical change in the future of organizations, the environment and society. However, if it is attempted as a 'quick-fix' for personal or organizational issues, then its potential and strength cannot get realised.

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A Study on Soft Skills Expected in Management Students for Employability and Training Interventions Required to Enhance Performance in the Selection Process

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Abstract

Management Institutes strive to enhance employability skills of their graduates to enable performance in the job selection process through campus recruitment and other avenues. Employability enhancement initiatives include intensive training in soft skills which include Presentation Skills, Group Discussion, Interview Practice and Interpersonal skills. This paper is an attempt to examine and understand organizational and recruiters' expectations in terms of qualities desired in employability management graduates and understand expectations of students undergoing the training; the need and the dimensions of these training interventions; assess the role, importance and effectiveness of each of these interventions in enhancing employability; explore the reasons for using Group Discussion and Interviews as selection methods, explore specific areas addressed in training interventions to enable performance in the selection process; The research include qualitative data and quantitative methods conducted through interviews and questionnaire method. The research findings reveals a specific qualities and skills deemed important by recruiters other than domain knowledge and also reveals specific areas in which students require help through employability and soft skills training interventions.

Key Words: *Employability, Soft Skills, Group Discussion, Interview, Training, Selection Method*

1.0 Introduction

Development of soft skills is considered an integral part of employability training for management job aspirants. Studies question the capacity of a formal management programme to ensure employability of students undergoing a management programme. Research in employability training shows that candidates seeking jobs after a management programme need additional support through soft skills training to enhance their employability. Employers perceive soft skills such as the ability to communicate and work in teams as more essential and important for employment than hard or core skills (Archer and Davidson, 2008). Qualification is

viewed only as an indication of a standard competence in a new recruit. (Glass, et.al., 2008). To be selected for a job in a rigorous and competitive placement process, intense training in soft skills is required which is assessed at the entry level during the selection process. Mere qualification is not deemed as enough. Some institutions therefore provide enhanced training in specific soft skills to enable management graduates to be employable. With fierce competition in the job market, an individual's credentials and abilities to market himself and demonstrate profile-relevant competences gain importance. (Nilsson, 2011).

Employability training programmes in soft skills includes personal effectiveness skills through group discussion, presentations, personal grooming exercises and interviews interview practice. The group discussions as a selection method is used to filter and shortlist the best candidates; followed by the personal interview to assess personal attributes and profile-specific soft skills (Hurstfield, *et al.*, 2005). Hence group discussions, interview practice and interpersonal skills laboratories are included in employability training. Training interventions are either embedded in the management program or entrusted to career services (Artess, *et al.*, 2011).

This study aims to determine the soft skills that corporate expect from entry level management job aspirants; the qualities or soft skills that trainers feel are important for training; the 'skills' training that management graduates aspiring for jobs perceive as important for them to enter the fiercely competitive job market, as also to determine what the students expect out of specific training processes.

The study includes a review of related literature supporting the need for training interventions in soft skills for employability followed by a short description of the research methodology; followed by the results of the qualitative survey of corporate expectations and trainers perceptions out of management students for employability, followed by the results of the student survey on their expectations from soft skills training programme for employability.

2.0 Review of Related Literature

Skills and Qualities desired for employability

Nilsson (2010) in his empirical study on enhancing individual employability of graduate engineering students, reported that employability contains dimensions other than formal qualification and hard skills; and these include soft skills, including transferable meta-competence, interpersonal skills. Among the soft employability skills being self-initiative, socio-communicative abilities, self-efficacy, were regarded an agents of change. His research findings showed that the respondents were more concerned with and emphasized the importance of

various soft employability skills over hard formal and technical vocational skills and wanted more training in the area.

Chung-Khain Wye (2009) while investigating the perception difference between employers and undergraduates on the importance of employability skills found that qualities such as adaptability, ambition, energy, and enthusiasm denote the highest level of competency of the undergraduates in meeting employers' expectations. Adaptability featured as the foremost important quality to fit into unforeseeable changes, within the job description, or within the organizational structure.

Chung-Khain Wye (2011) learnt and stated that academics should also expose their undergraduates to different real-life possibilities within the work context to enable them to sharpen their adaptability skill in tackling unforeseeable circumstances taking place within their job and company. The study also found a slightly higher degree of mismatch between the level of importance and development in such skills as critical analysis, planning, problem solving, and oral communication, decision making, and negotiating

Annesherry (2012) establish competencies that are necessary for employment of management students. She listed 24 soft skills which were considered desirable for employability of management students especially *in hospitality management, in addition to domain knowledge in hospitality*. The competencies listed are Teamwork & cooperation, Flexibility, Relationship building, Computer literacy, Conceptual thinking, Technical expertise, Organisational awareness, Concern for order, quality & Impact & Influence on other Initiative, Customer service orientation Developing, Directiveness, Team leadership, Analytical thinking, Self-control, Organisational commitment, Ability and willingness to learn and Interpersonal understanding. These competencies perceived as essential for entry level management jobs by faculty, students and recruiters and associates the most common competency in the findings is “the ability and willingness to learn”.

While examining the expectations of HR managers of *'Survival Skills Of Business Management Graduates With A Focus On Retail And Banking Sector*, Kumar and Jain(2010) refer to various models of employability such as the Heuristic model of employability, which is a combination of clusters divided into personal adaptability, career identity and social and human capital; .The Skills Development Model which includes aspects such as Management of self, Management of others, Management of information and Management of task and the USEM Model by York and Knight(2004), which propounds generic abilities such as Efficacy beliefs — world of employment.; Understanding — Appropriate subject knowledge, apprehension and applicability; Skills — Subject-specific Awareness and understanding of one's self and one's Abilities; Meta-

cognition - The ability to reflect on and regulate one's own learning and behavior. The authors mention that interventions are needed to enable employees to adapt to new job demands and also to compete in the selection process. Speaking of employability and corporate expectations, they mention that the emphasis is more 'ability' and less on 'employ', Referring to soft skills as survival skills, Kumar and Jain emphasise on the responsibility of institutions to fine-tune the survival skills needed by the industry by the right training interventions.

Need for Soft Skills Training for Employability

While studying employers' perceptions of the employability skills of new graduates *Kevin Lowden, et al.*, (2011) found that soft Skills like communication skills and team working are perceived to carry more weightage than technical or hard skills, by employers in organization of all sizes (Archer and Davidson, 2008). Employability as defined by the CBI report 'Time well spent: Embedding employability in work experience', (CBI, 2007), as per the research, gives foremost importance to a 'positive attitude, self-management and team working.' Hence, higher education experts should pay heed to student's employment needs with regard to generic skills and include them in the course and curriculum design.

IL&FS initiatives (2011) found that the training initiatives for undergraduate students primarily comprise of English speaking, Personality Development, Aptitude, Technical Skills and employability skills. The idea is to refine skills required to work in the industry. It is evident that graduates should be well-versed in English, have a good personality apart from domain skills. It is also evident that there is a need to train students on these skills.

Margaret A. Richardson (2009) in her study on managing recruitment strategies and processes mentioned campus recruitment as an important source of selecting the right candidates for management trainee programmes, if organizations wish to have the right blend of 'skills' and 'competencies'. She says that students have a focused vision of their career goals in the next 15 to 20 years; should have a positive work ethic, strong interpersonal skills, capacity for leadership and an ability to function well in work teams. She states that recruiters do face disadvantages in finding the ideal mix of skills and are sometimes compelled to settle for less.

While agreeing on the need to have a pool of qualified applicants, she highlights disadvantages that recruiters face in finding the appropriate candidates. However, organizations choosing campus recruitment must bear the onus of meeting the students' needs for fulfilling opportunities, skill enhancement, personal satisfaction, flexibility and compensation.

Richardson pointed out that inflated expectations were a major factor in campus recruitment disadvantage and that this concern was voiced by most HR managers, clubbed with low self-

awareness, self-esteem, and ignorance of self-worth, potential and limitations. He mentioned that students do come with interpersonal skills and developed personality, indicating that management programmes do provide development interventions in this area; organizations do have to make use of these skills; these skills are required by management graduates; recruiters have a positive feel/assurance that management students come with a focused vision, with the right blend of skills and with developed potential.

Artess, Forbes & Ripmeester (2011) in their research study *Supporting Graduate Employability: HEI Practice in Other Countries*, expressed concern while researching soft skills training practices in Indian Universities on universities putting the onus of fees for courses in soft skills to enhance employability on the individuals, over and on top of the course fees. Their findings show that the highest accountability for employability preparation of the students is attributed to career services and then to academic staff followed by students. The global findings presented conclude with recommendations that students should be given more support of all kinds to help enable and support employability of which soft skills training is an integral part.

UNESCO (2012) survey data of employers expectations of graduates' employability in Asia shows that only 52 percent of the employers considered the grade scores (Grade Point Average) to be an important factor in hiring a new employee, 20% employers feel that training in soft skills is necessary. Prospective employees should gain the required work skills through training and work experience. Employers also feel that higher education Institutes may not be able to teach soft skills.

Newton *et. al.*, (2005) measured the role of soft skills in recruitment and found that employers' assessment of soft skills was based on the context and situation of the job profile. The chosen techniques, range from interviews to trial periods in most of the processes. Soft skills such as communication skills (oral), team working and leadership, which are considered crucial for senior and management positions were assessed by recruiters through the interview method or one-on-one interaction. The CV is also sometimes assessed for presentation and writing skills.

The research however does not make a mention of the group discussion method which is an integral part of the assessment centre method for formal measurement of competency and which is also used as a selection tool for campus recruitment. The study also speaks of skills expectations from candidates of all spheres and does not restrict it to management students.

Holmes (2011) in the study, *Graduates Call For More Employability Training At Universities In Personnel Today*, reported that 57% of 2614 university students surveyed felt an acute need to train on employability skills in addition to their regular domain curriculum.

FICCI (2010) on *'The Skill Development Landscape in India and Implementing Quality Skills Training'* lists soft skills as an approved and mandatory course to be taught for skill development for employability.

Bloom & Saeki (2011) in *'Employability and Skill Set of Newly Graduated Engineers in India'*, reported that employers prioritise soft skills among the basic skill training requirements for graduates to seek employment, which included personality and basic management skills.

Sarma (2012) stressed that among the major problems that even urban students face in the area of communication skills are; not being able to speak fluently despite having writing skills, improper body language, discomfort with speaking in a small group and limited vocabulary.

3.0 Objectives and Need for the Study

Objectives of the Research

The main objectives of the study are to determine the expectations of corporate recruiters' perceptions of Trainers and the training needs of management students with regard to;

- the qualities expected out of employable management students at the entry level
- the appropriateness of training interventions that are currently used to equip potential managers with the necessary skills to perform well in the selection process

Need for the Study

This study was required for the following reasons;

- Employability Skills trainers and those responsible for placements tend to work in isolation without being aware of the actual training and employability requirements of entry-level positions.
- Employability training programmes tend to get repetitive and redundant if trainers are not made aware of changing needs of campus recruiters from time.
- The lack of information sharing creates a gap between the needs of trainees, the programmes delivered by trainers and the actual needs of the corporate from employable graduates. This creates a mismatch resulting sometimes in poor performance in the selection process and inability to get the job.
- It is essential to know exact students requirements out of seemingly simple interventions like Group Discussion and Intervention so that training programmes can be customized to address specific issues and barriers that students face in the selection process.

4.0 Methodology of the Research

The study was conducted by using quantitative and qualitative research methods using mixed research design.

The qualitative study was conducted through the interview method by using a set of common points for queries and by culling out commonalities.

The quantitative analysis was conducted through a survey questionnaire, the responses to which were analysed through the use of SPSS through Factor Analysis.

5.0 Sample Population, Variables & Data Collection Method

Sample Population

Data for the interviews was collected from 15 senior professionals in the field of HR, Training corporate professionals who recruit entry level managers and from Placement Managers in their functional areas such as Finance, IT and Operations. Data for the quantitative survey was collected from 74 management students. Interviews were conducted both personally and telephonically.

Variables

The variables for the interviews were;

- Existence of a need for soft skills training in employability development
- Factors that are achievable through soft skills training for employability
- Qualities expected in employable management students other than domain knowledge
- Preference of Selection Methods by campus recruiters
- Qualities assessed and desired in the Group Discussion
- Recommendations to Employability Skills Trainers and Management Institutes

The variables for the quantitative survey were as follows;

- Soft skills that are important for getting a job after a management programme
English language; Speaking Skills; Team Skills; Grooming and Etiquette, Problem Solving; Leadership Skills; Self-Awareness and Adaptability; Presentation Skills: Writing Skills.

- Expectations Out of Training in Group Discussion
Making an entry in the discussion; Speaking Skills; Performing in a team; English; Subject Awareness; Body Language and Posture; Influencing Skills; Analytical Skills
- Expectations Out of Training in Interview Preparation
Overcoming Anxiety; Introducing Yourself; CV Presentation; Handling difficult questions; Grooming and Etiquette
- Perceptions of specific Training Programmes that will help them get placed
Group Discussion; Interpersonal Skills; Interview Preparation, Presentation Skills

Data Collection Method

Data for the qualitative survey was collected through interview the quantitative survey was collected through a questionnaire from 74 management students. Interviews were conducted both personally and telephonically.

6.0 Major Findings of the Study

Findings of the Qualitative Survey

The findings from the qualitative survey through the interview method are presented below

- Need for Soft Skills Training in Employability Development

All interviewees agreed that employability skills development activities should include soft skills training in order to make management students employable and ready for the industry.

Factors that were initiated as achievable through soft skills training for employability:

- ✓ to get past the selection process
- ✓ to become industry ready
- ✓ to start performing from the very first day
- ✓ to be able to harness domain or technical knowledge
- ✓ to be professional
- Qualities expected in employable management students other than domain knowledge
- Qualities that were expressed as most essential other than domain knowledge as;
 - ✓ Self-Awareness and Adaptability
 - Ability and willingness to work at the ground-level
 - Humility

- ✓ Consistency
 - Ethics and morality
 - Ability to balance personal and professional life
 - Being presentable
 - Being Articulate
 - Teamworking skills

Among the above qualities, self-awareness was ranked the most important quality.

The top three concerns expressed by all interviewees over undesirable traits among employable management graduates

- ✓ Reluctance to work at ground level and wishing to start off at the strategic managerial positions from the very beginning
- ✓ Ambiguity in choice of specialization & ignorance of one's strengths and abilities
- ✓ Inflated expectations of salary
- Preference of Selection Methods used by campus recruiters with Reasons

Interview findings show that Group Discussion and Interviews are the most common selection methods used by campus Recruiters

Most Common Reasons for giving priority to Group Discussion as the selection method

- ✓ To eliminate candidates from a large selection pool
- ✓ To identify candidates who are articulate and who have influencing ability
- ✓ To choose amicable team players and to eliminate aggressive candidates
- ✓ To select candidates for specific job profiles based on behaviour demonstrated in the group discussion
- Qualities assessed and desired in the Group Discussion
 - ✓ Ability to enter the discussion
 - ✓ Influencing ability
 - ✓ Assertiveness
 - ✓ Ability to examine an issue from various angles
 - ✓ Listening Skills

- Limitations of the Group Discussion Method
 - ✓ Inability to identify the self-awareness
 - ✓ Extreme focus on speaking skills can sometimes lead to elimination of candidates who may be good but are unable to speak out in the discussion
- The qualitative findings showed that the following soft skills were rated in order of importance in the selection process at the entry-level;

Soft Skills	Level of Importance	Remarks & Reasons
Self-Awareness, Adaptability	Most Important	Interviewees expressed that self-awareness makes them choose the right profile and assess themselves for suitability. Lack of self-awareness leads to future problems and disappointment
Speaking Skills, Team working skills, Communication Skills	Very Important	Interviewees distinguished speaking skills from communication skills, while including non-verbal communication skills along with speaking skills
Presentation Skills, Problem Solving, Etiquette and Grooming*	Important	*Good Etiquette and Grooming help in overcoming other weaknesses
Writing Skills	Less important	Not assessed at entry level
Leadership Skills	Not important	Entry level graduates are not expected to take strategic decisions.

The following recommendations were made by the interviewees to Employability Skills Trainers and Management Institutes

- ✓ Avoid ritualistic training and stay with the trainee till the end of the selection process
- ✓ Create a favourable student training ratio to ensure training effectiveness
- ✓ Study job profiles to match training to specific profile requirements
- ✓ Trainers to keep abreast of latest happenings in the corporate world
- ✓ Management Institutes to engage trainers with prior corporate experience
- ✓ Help trainees to be original as against cloning
- ✓ Avoid generalized and mass training and use customised programmes to suit the target group
- ✓ focus on higher order skills and inner transformation

- Findings of the Quantitative Survey

The data collected through survey questionnaire was analysed through a Factor Analysis in order to pin-down the factors to be included under

- ✓ Soft skills important for getting a job after a management programme,
- ✓ Critical areas in a Group Discussion Training
- ✓ Critical areas Interview Preparation
- ✓ Particular Soft Skills Training Programmes to be included

The results of the Quantitative Analysis with suggested strategy and interpretation are presented as follows

- Soft skills that are important for getting a job after PGPM/MBA

The data was tested for sampling adequacy by the KMO Measure of Sampling Adequacy which showed a sampling adequacy measure as follows

KMO Measure of Sampling Adequacy	.853
Bartlett's Test of Sphericity - Significance level	0.00

The results were an indication that we could go ahead with a factor analysis.

The Total Variance Explained showed that 85% of the variations of the components were successfully extracted by the factor analysis

On the basis of output from data reduction (rotated component matrix), the extracted factors (Skill Sets) were grouped and termed as Employability Training Modules

S. No	Employability Training Module	Skill Set
1	Enhancing Articulation Skills	Speaking Skills, English Proficiency
2	Managerial Effectiveness	Problem –Solving Skills , Leadership Skills
3	Personal Grooming	Grooming
4	Effective Presentation Skills	Presentation Skills
5	Know Yourself	Self-Awareness
6	How to perform in a Team	Team Skills
8	Effective Writing skills	Writing Skills

Interpretation and Strategy: The above modules with specific skill-sets could be included in a structured manner in Employability Skills and Soft Skills programmes to help management students to prepare for placements.

- Expectations out of a training programme in Group Discussion

The data was tested for sampling adequacy by the KMO Measure of Sampling Adequacy which showed a sampling adequacy measure as follows

KMO Measure of Sampling Adequacy	.828
Bartlett's Test of Sphericity - Significance level	0.00

The results were an indication that we could go ahead with a factor analysis.

The Total Variance Explained showed that 90% of the variations of the components were successfully extracted by the factor analysis

On the basis of output from data reduction (rotated component matrix), the extracted factors were grouped into skill-sets and termed as *Focus Areas for Group Discussion Training* as follows:

S. No.	Focus Areas for Group Discussion Training	Skill Set
1	Cognitive Impact	Influencing skills, Analytical skills
2	Enhancing Articulation Skills	Speaking skills, English Proficiency
3	Communicating- Non-Verbally	Body Language
4	Cracking the Group Discussion	Making a entry in the Group Discussion
5	How to perform in a Team	Team Skills
6	Know Yourself	Self Awareness

Interpretation and Strategy: This is an indication that Soft Skills Trainers need to focus on the above focus areas in order to help the management students perform well in a Group Discussion. Trainer should focus on helping students address the above focus areas.

- Expectations out of training programme in Interview Preparation

The data was tested for sampling adequacy by the KMO Measure of Sampling Adequacy which showed a sampling adequacy measure as follows:

KMO Measure of Sampling Adequacy	.830
Bartlett's Test of Sphericity - Significance level	0.00

The results were an indication that we could go ahead with a factor analysis.

The Total Variance Explained showed that 84% of the variations of the components were successfully extracted by the factor analysis.

On the basis of output from data reduction (rotated component matrix), the extracted factors were grouped into skill sets and termed as *Focus Areas for Interview Preparation Training* as follows:

S. No.	Focus Areas for Interview Preparation Training	Skill Set
1	Face the Interview Panel	Handling questions, Grooming
2	How to Make a First Impression	Self-Introduction, CV presentation
3	How to Overcome Interview Fear	Overcoming anxiety

Interpretation and Strategy: This is an indication that Soft Skills Trainers need to focus on the above focus areas in order to help the management students perform well in an Interview. Trainer should focus on helping students address the above focus areas.

- Perceptions of which of the training programmes would help them in Placement

The data was tested for sampling adequacy by the KMO Measure of Sampling Adequacy which showed a sampling adequacy measure as follows

KMO Measure of Sampling Adequacy	.698
Bartlett's Test of Sphericity - Significance level	0.00

The results were an indication that we could go ahead with a factor analysis.

The Total Variance Explained showed that 90% of the variations of the components were successfully extracted by the factor analysis

On the basis of output from data reduction (rotated component matrix), the extracted factors were grouped into Practice Areas and termed as Employability and Placement Training Programmes as follows

S.No	Employability and Placement Training Programme	Practice Areas
1	Preparing for Placement	Group Discussion Training, Interview Preparation Training
2	Soft Skills for Employability	Interpersonal skills
3	Making Effective Presentations	Presentation skills

Interpretation and Strategy: This is an indication that for Employability and Placements training interventions should include Group Discussion Practice, Interview Preparation Interpersonal skills and Presentation skills. However they can be clubbed into Training programmes as explained in the above table for better impact and focus.

7.0 Discussion

The results of both the qualitative and quantitative survey show that both corporate recruiters and management students feel the need to train management graduates in soft skills with the specific objective of enhancing their employability skills and performance in the placement selection process. The qualitative survey shows that specific qualities such as self-awareness featured as the most important quality sought by corporate recruiters. Humility, Adaptability, Articulation, Presentability, Team skills also featured as important qualities in fresh management graduates to be selected. The quantitative findings show that management students need help through training intervention to develop self-awareness in the soft skill interventions to develop employability skills.

The findings also show a commonality between skills mentioned as desirable by recruiters and specific training needs expressed by students, such as articulation skills, personal grooming, presentation skills, self-awareness, team skills, except for writing skills which are expressed as training requirements by students, but which have been expressed as not important in the selection process by corporate recruiters. Writing Skills could be a requirement in the selection process to the extent of being able to present a well-written CV, which has been expressed as a learning requirement in the interview preparation training process. While the student survey shows that they feel that leadership skills are required to get placed, corporate recruiters expressed that leadership, especially strategic leadership is not important at the entry level and that students should not expect strategic leadership and decision making profiles at the entry level. The managerial effectiveness module should therefore focus on enabling them to demonstrate leadership skills at the ground level. Training programmes should also focus on building attributes such as humility which are stated as highly essential by the recruiters.

8.0 Conclusion

The study shows that soft skills training should be provided to management students to improve their employability potential and to help them successfully through the selection process. The study also shows that group discussion method is primarily used as short listing tool with a focus on identifying specific qualities for which the students need intensive training. The interview preparation training intervention need to help students overcome anxiety, face the interview panel, handle questions and be presentable before the panel. The study also confirms that soft skills training should include specific training modules classified to increase management students' employability potential.

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Impact of Celebrity Endorsement on Purchase Decision of Youth as Customers

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Abstract

Celebrities like movie actors, television stars, and sports stars & athletes are widely used in television advertisements to influence consumers' brand choice. Advertisers try to establish a link between their brands and a desirable image or lifestyle of a celebrity. Celebrity endorsements have become a commonly used technique of promotion. This study attempts to examine the perceptions of youth towards the use of celebrities in advertisements and to get an insight about its effectiveness. Data was collected through a questionnaire from 100 respondents. Results show that celebrity endorsement has the potential of being noticed and liked by the viewers but it does not influence the purchase decision. The purchase decision has been found to be influenced by other factors like quality and price of the product or service.

Key Words: *Celebrity, Endorsement, Influence, Perception, Youth*

1.0 Introduction

Today, the modern marketing strategy of most business firms relies heavily on advertising to promote their products to their target markets. The major goal of advertising strategy is to influence customers, who are becoming increasingly educated, sophisticated and selective. Competition is also becoming more intense and just having a good product alone is not enough to compete in markets of high standards. The use of celebrity endorsement advertising has become an ever-present feature in modern advertising.

Celebrity endorsement occurs when an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Celebrities like movie actors, television stars, and famous athletes are widely used in television advertisements to influence consumers' brand choice behavior. Advertisers try to establish a link between their brands and a desirable image or lifestyle of a celebrity. Endorsers can be categorized into three broad groups, that is, experts, lay endorsers and celebrities. An expert is defined to be a person who is assumed to be having command over a specific discipline of interest to a particular segment. Experts are chosen on the basis of their knowledge pertaining to

particular field and their opinion is considered to be highly valuable in that field. Lay endorsers can be real and fictitious characters to whom normal people can associate themselves. These are ordinary people who are selected because of their charming personality or their authoritative attributes which makes normal people relate to these seemingly ordinary individuals.

Celebrity endorsement today is the ultimate and ideal promotional strategy for marketers as the consumers get attracted towards those brands that reflect their inner lives, values, beliefs and most importantly their desires. Consumers want to improve their self-image by opting for those brands which have relevant meanings to their self-concept.

A brand at its introductory phase has no perception, it has no associations and relations, and in simple words it has no personality. But when a celebrity is attached to the brand, the product and the company gets immediate recognition, charisma, and charm. The brand almost gets a life and turns to a human from a nonliving being. Celebrities have their own characteristics that they employ to the brands and ultimately to the consumers. The celebrities transport their representative meanings to endorsed products. Celebrities are famous people who offers their lifestyle and personality which cannot be matched by anonymous people. They have the potential of assigning extra depth, power and delicacy to the brand. Hence, celebrity endorsement is more effective than non-celebrity endorsement. Celebrity is used to make the consumer aware of the product so the consumer makes the purchase. Once the consumer becomes aware of the product, however, it's the design, quality and price of the product that influences their buying behavior and not celebrity endorsing it alone. Celebrities do not change the buying behavior of the consumers but just helps in making them aware of the product.

An appropriately used celebrity can prove to be a massively influential tool that magnifies the effects of any campaign. If the companies want their brand to be perceived positively by the consumers so they need to conduct an inclusive evaluation of the characteristics, traits and attributes of the celebrity first. There should be a match between the brand endorsed, the celebrity and the target market. To explain the compatibility factor of the brand and the celebrity, celebrity needs to match the product and communicate credibility and inspirational values to a brand. For a successful campaign the prerequisite is that the idea behind the campaign should be a unique one and there should be a match between the celebrity and the message conveyed. Celebrities will generate attention, recall and positive attitudes towards advertising only if there is a fit between the celebrity and the brand. But the celebrity endorsement is ineffective when it comes to the purchase intentions and actual sales because it is the core product and quality of the product that the consumers consider while purchasing the product.

There are some unique advantages and disadvantages which celebrities bring with them. Establishment of credibility ensures attention, PR coverage, higher degree of recall and mass appeal to name a few of the advantages. Whereas reputation of the celebrity may derogate after he/she has endorsed a brand, the vampire effect, celebrities endorsing one brand and using the other (competitor) and most importantly a mismatch between the celebrity and the image of the brand can be counted as some of the disadvantages

Celebrity is used to make the consumer aware of the product so the consumer goes and buys the product. Once the consumer becomes aware of the product, however, it's the design, quality and price of the product that influences their buying behavior and not celebrity endorsing it. Celebrities do not change the buying behavior of the consumers but just helps in making them aware of the product. At times the celebrities overshadow the brand that is being endorsed that is why many companies have stopped using big names for endorsing the products. The best example is of Pepsi. Pepsi finished deals with singers like Beyonce Knowles and Britney Spears because they drew away attention from the brand.

Endorsement by a celebrity has a meaningful influence on young consumer's evaluation of advertisements and products. Celebrity endorsement has been an extensively applied marketing tool in the international developed industries and it has proven to be contributing positively towards the economic growth of the brands. However the effectiveness of this tool has been subjected to many criticisms due to its vast application in diverse fields. Even developing industries like that of India have started using this marketing tool for the promotion and better positioning of their products and thus to better appeal to the different segments. After conducting several perceptual analyses, the developed countries have started evaluating the benefits associated with this type of promotional tool using complex quantitative methods and models to measure the economic benefits associated with celebrity endorsements. The current Indian market despite using these methods have lagged far behind in developing tools to evaluate the costs and benefits associated with celebrity endorsements. The main problem therefore is the obvious use of celebrity intensive campaigns without gauging the benefits associated with using such tools. For this purpose, the perception of the market regarding celebrities endorsing different brands across different industries is a primary concern which should be studied and addressed.

2.0 Objective

The objective of this paper is to:

- Understand how celebrities influence the purchase decision of the customer particularly youth
- Understand how negative publicity and scandal attached with celebrities destroys the image of the associated brand/product.

3.0 Methodology

This is a descriptive study which aimed at examining the impact of celebrity endorsement on the perceptions of youth. To achieve this objective of the study, the following methodology was used. Data was collected through a personally administered questionnaire. The questionnaire consisted of ten items using a five point Likert scale (1= Strongly Agree to 5= Strongly Disagree). The content validity and outcome of the questionnaire was assessed through academician's experts at the Institute.

4.0 Sample & Procedure

The target population of the study comprised of the educated youth and included both male and female and their ages were in the range of twenty to thirty (20-30Years). A sample of 100 respondents was selected from the target population through the convenience sampling method.

5.0 Data Analysis

The collected questionnaires were first checked and answers were then coded and the data was entered into the computer for analysis. The data was then analyzed using Measure of Central Tendency namely Mean by using the Statistical Package for Social Sciences (SPSS).

6.0 Results

The results of the Quantitative Analysis are given below

Sr.No	Survey Question	Mean
01	Celebrity in an advertisement encourage to buy the product	2.68
02	Celebrities make difference to the image of the brand	2.25
03	Celebrities use the product they endorse	4.27
04	People purchase celebrity endorsed brands to improve social status	2.49
05	Celebrity has the power to change individual perception	2.75
06	Celebrity conveys all the true features of a product	3.88
07	Celebrity holds the viewers attention	2.19
08	Refrain from the product because I personally don't like the celebrity who endorses it	3.29
09	Purchase the product because its endorsed by my favorite celebrity	3.41
10	Scandals attached with celebrity destroy the brands image	2.65

Table 1 : Results of Quantitative Analysis

The result of the item “Celebrities in advertisement encourages buying the product” shows that if respondents get their desired celebrities, then they are likely to purchase the product. The Mean value of 2.68 suggests that the respondents agree with statement.

The result of the item “Celebrities make difference to the brand image” shows that respondents do think that celebrities can make up the image or break it up. Celebrities can have a positive and successful image in the minds of the customers as the Mean value is 2.25. Thus stars add significant value to brands.

The result of the item “Celebrities use the products they endorse” shows that a large majority of respondents strongly disagree as the Mean calculated is 4.27 and they are of the view that celebrities do not use the products that they endorse. We can see a sense of untrustworthiness and information consumers have. Such actions make the consumer believe that it's all about money for the celebrities. Thus it can be concluded that celebrities can popularize brands but can also lack integrity if they are perceived negatively, such as not using or believing in the endorsed product.

The Mean of the responses to item “purchasing celebrity endorsed brands improve social status” is 2.49 which means that youth today somewhat agree and believe that purchasing a celebrity endorsed brand will improve their social status and recognition in the society.

Respondents have neutral response to the item that celebrities have the power to change their perception about the product. This is suggested by the Mean of the responses which is 2.75.

Respondents disagree with the fact that a celebrity conveys all the true features of the product as the mean calculated is 3.88. It can be concluded that building the trust to the advertised product can only depend on after trying the product and confirming the quality and value of the product. The respondents do not solely trust the celebrity endorsed commercials without experience of the product.

Respondents agree that a celebrity holds viewers attention. This is suggested by the mean value of 2.19. The attitude of the respondents in the sample conveyed that celebrities matter a great deal to them. Hence celebrities got voted as having more potential to attract attention. Respondents voiced that it is because of the presence of these celebrities that the product is noticed and remembered by the consumers.

Respondents are neutral that they will refrain from purchasing a product only because a celebrity they don't like endorses it. This shows that celebrities don't act as deterrents. Respondents had a neutral response when asked if their favorite celebrity in an advertisement encourages them to buy the product. The result indicates that celebrities do not have significant influence on the purchase decisions.

The Mean of 2.65 indicates that a respectable number of respondents were in support of the fact that scandals attached to the celebrity destroys the brand image and credibility as it tends to leaves a depressing impact on their minds. The celebrity may lose his or her popularity due to some lapse in professional performances or due to scandals attached to them which ultimately will destroy the image of the brand he/she is endorsing.

7.0 Discussion & Conclusion

Based on the findings of the data collected from the youth population of Mumbai, it can be concluded that celebrity endorsement has a potential of being noticed and liked by the viewers. It is evident from the study that celebrity does catch the attention of consumers and that the main purpose of a celebrity endorsement is making the product popular, so that people may recognize it easily and it is because of the presence of these celebrities that the product is noticed and remembered by the consumers. The brand stands out from the rest of the brands and facilitates instant awareness if celebrity endorsement is used effectively. But it plays a very minute role in final decision making for buying a new product.

The results also support the view that a profound number of consumers were skeptical about the fact that the celebrities were in the habit of using the products which they endorse and the consumer believe that it's all about money for the celebrities. The respondents do not trust the celebrity endorsed commercials without experience of the product. The result indicates that celebrities do not influence the purchase decisions made.

Respondents are of the view that celebrities in advertisements divert their focus from the product and take the attention in the advertisement thus overshadowing the product that is being endorsed. The research reveals that the celebrity may lose his or her popularity due to downfall in professional performances or due to any wrong perceptions attached to the celebrity or due to scandals attached to them which might ultimately destroy the image of the brand he/she is endorsing.

It has been proved from the discussion that celebrity endorsements is a very powerful and useful tool. People love and adore their favorite celebrities and advertisers should use stars to capitalize on these feelings to influence the fans towards their brand. When taking into consideration the choice of which celebrity to use as endorser, marketers must recognize the pros and cons of using celebrity endorsers. It is important that there should be congruency between the persona of the celebrity and the image of the brand. Thus it is concluded that celebrity should be carefully selected that matches the target segment and brand values. There remains no doubt that celebrity endorsement can be an efficient tool to build and maintain a brand if managed correctly. If handled incorrectly, it can be disastrous.

8.0 Suggestions for Future Research

This study has focused only on young consumers; future research can be undertaken targeting different age groups in Mumbai and India which would probably bring to light different perceptions regarding the topic in hand. Further research could also examine the effects of different endorsers across different media, especially television, print or radio.

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A Comparative Study of Online Learning and Classroom Learning of students from Undergraduate and Post Graduate courses

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Abstract

Education along with the ability to expand one's mind and strive for continuous education is critical to one's success. By dedicating self to learning, one can leapfrog ahead of competition. Information is multiplying doubled folded in every field and hence knowledge also has to double with even pace. Learning is one of the most important activities in which humans engage. It is at the very core of the educational process, although most of what people learn occurs outside of school.

Technology has transformed virtually every aspect of our lives, and education has not been untouched. As far as learning or education is concerned, apart from traditional learning, which is also called as classroom learning has found a competitor, which is known as Online learning. One of the foremost reasons for this article is that Online Learning is rapidly growing in both availability and popularity. Lawmakers play an important role in designing the environment in which online learning operates. It is their influence in the society which can help establish, fund and grow online programs in education systems.

This paper attempts to make a comparative study of Online Learning and Classroom Learning of students studying or have been students of undergraduate and post graduate courses

Key Words: *Education, Online Learning, Classroom Learning*

1.0 Introduction

“Online Learning” includes all forms of electronically supported learning and teaching. Online Learning sometimes referred to as E-Learning, is the computer and network enabled transfer of skills and knowledge. It also includes courses where most of the learning material is delivered through online technology. There is no or very minimal face-to-face interaction between the lecturer and students, in that they refer to the use of modern tools, such as computers, digital technology, electronic media, networked digital devices and associated software and courseware with learning scenarios. There are various ways in which colleges are using Online Learning, such

as discussion boards etc. In contrast, Traditional Learning is where there is a face-to-face interaction between the lecturer and the students.

Rapid Growth of Online Learning

Online Learning has seen a rapid growth in the last decade globally. One of the major reasons which led to the growth of Online Learning was economic slowdown wherein people turned to the same to secure their jobs. Especially, traditional courses were overshadowed by the demand in Online Courses. It also has been noticed that enquiries for Online Courses had increased in these years. People were afraid to lose their jobs, some were worried about promotions, salary hike etc. Online Learning has a larger share in either post graduate courses or specialized courses as compared to the regular courses offered.

One of the other incentives of Online Learning is that it provides a student access to material at times that fits his schedule. These students are typically busy adults who work and are not able to find time to attend campus lectures. If speaking about the institute that offers these courses, it is beneficial for them as it saves classroom space.

Author Anya Kamenetz states, *“For some people, it will mean going from a good education to a great one. For others, it will mean getting some kind of education, instead of nothing.”*

Apart from all the benefits of Online Learning, one concern still stands with it. With Online Learning it is hard to evaluate the effectiveness and quality of the courses offered as there is not enough good data to assess the quality. Online Learning is a one of the latest trends in education; many would want to ensure that the institutes that offer Online Learning are as effective and enriching as the Traditional Learning. The other issue with Online Learning points towards the marketing of such programs, which emphasize on how quickly students can earn a degree rather than how much knowledge will be provided by the degree.

Classroom Learning has an edge over Online Learning. It provides social and communicative interactions between a student and a teacher, and also between students. It enhances student's ability to interact and ask question, share ideas or to counter-question for fundamental learning purpose. It has been observed that conversations and discussions between two people who are face-to-face learning objective is achieved along with formation of ideas and concepts are clarified. There is quite less possibility in Online Learning that it will not require adjustments by instructors and students for successful interaction. The effectiveness of Online interactive venue is debatable.

Anna Ya Ni in one of her research papers “Comparing the Effectiveness of Classroom and Online Learning: Teaching Research Methods” shows the following comparison between Online and Face-to-face setting.

Parameters	Online	Face-to-face
Mode	Discussions through text only; Can be structured; Dense; permanent; limited; stark	Verbal discussions; More common mode, but impermanent
Sense of Instructor Control	Less sense of instructor control; Easier for participants to ignore instructor	More sense of leadership from instructor; Not so easy to ignore instructor
Discussion	Group contact continually maintained; Depth of analysis often increased; Discussion often stops for periods of time, then is picked up and restarted; Level of reflection is high; Able to reshape conversation on basis of ongoing understandings and reflection	Little group contact between meetings; Analysis varies, dependent on time available; Discussions occur within a set of time frame; Often little for reflection during meetings; Conversations are less like being shaped during meeting
Group Dynamics	Less sense of anxiety; More equal participation; Less hierarchies; Dynamics are ‘hidden’ but traceable; No breaks, constantly in the meeting; Can be active listening without participation; Medium (technology) has an impact; Different expectation about participation; Slower, time delays in interactions or discussions	Anxiety at beginning / during meetings; Participation unequal; More chance of hierarchies; Dynamics evident but lost after the event; Breaks between meetings; Listening without participation may be frowned upon; Medium (room) may have less impact; Certain expectations about participation; Quicker, immediacy of interactions or discussions

Table 1 : Comparing the Effectiveness of Classroom and Online Learning: Teaching Research Methods

2.0 Objectives

The objectives of the research paper are as follows:

- To find out the preferences of people between Online Learning and Traditional Learning
- To find out student’s inclination towards technology and how comfortable are they with upgrading themselves
- To find out what type of people prefer an Online Setup and what type prefer Traditional Setup.
- To find out if people are more oriented to have a degree or gain knowledge
- To find out if technology is a reason behind people opting / not opting for Online Learning Courses
- To find whether people find Online Learning as flexible
- To find whether according to people Online Learning is cost-effective

- To find out whether the infrastructure provided by Online Learning institutes is enough to attract prospects

3.0 Research Methodology

Sources of Data

- Primary
- Secondary

Data Collection Method

- Structure Questionnaire
- Convenient Sampling

Sample Plan (Sample Size = 99)

The respondents included a mixture of students across Post Graduate courses and Undergraduate courses. The sample also consisted of ex-students of these courses who are either into some kind of business or working professionals.

Age group – 18 years and above

Qualification	Female		Male	
	Working	Non-Working	Working	Non Working
B.Com.	0	12	0	36
B.Sc.	0	3	0	0
B.Tech.	0	0	0	3
BMS	0	0	3	9
Post Graduate	3	0	21	9
Total	3	15	24	57

Table 2 : Sample Plan Chart

4.0 Limitations of the Research

The survey conducted for the article consists of respondents across various colleges from Bandra and its vicinity. The respondents are a mixture of students, working professionals, business people, ex-students who have been a part of either Traditional or Online Learning at some point or the other. Due to the nature of the topic the sample is only from suburbs and not across

Mumbai city. One of the reasons for the survey was to gauge the orientation of people and their thoughts processes towards an Online Learning setup.

5.0 Major Findings

When studying is concerned, the environment where one studies matters a lot. When the respondents were asked about the place where they prefer to study, the results were not that shocking or surprising. As the tradition goes, majority of the people preferred their home to study as compared to their school or college campus. The table below shows the answers given by the respondents:

Age	Home		Home using computer and internet		Work Place		College Campus		Elsewhere	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
18-22	6	9	15	0	0	15	6	9	0	15
23-27	48	27	30	45	0	75	36	39	6	69
28-32	0	3	3	0	0	3	3	0	0	3
33 or more	3	3	6	0	0	6	0	6	3	3
Total	57	42	54	45	0	99	45	54	9	90

Table 3 : Respondent's Preferred Place to Study – Age-wise bifurcation

Gender	Home		Home using computer and internet		Work Place		College Campus		Elsewhere	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Male	14	13	14	13	0	27	12	15	2	25
Female	5	1	4	2	0	6	3	3	1	5
Total	19	14	18	15	0	33	15	18	3	30

Table 4 : Respondent's Preferred Place to Study – Gender-wise bifurcation

The above table indicates that majority of the females prefer their home to study either from their study material or using computer and internet but none of the respondents opted for a work place to study.

	Smartphones	Tablets	Laptops	Desktops
Yes	66	15	66	24
No	33	84	33	75

Table 5 : Respondent's Mode of Internet Access

From the above table we get to know that majority of the respondents are acquainted to smartphone devices and are connected to internet all the time. Almost 65% of the respondents access internet and to online study material from their smartphones, similarly 65% of the respondents use their laptops to connect to online resources for their study. Only a few, i.e. 17% and 32% of the respondents use tablets and desktops for their internet connectivity, which hints that on the go internet connectivity is more preferred by people than sitting at one place and accessing their study material.

	Doing a learning task collaboratively	Doing a learning task individually	Data Collation	Planning a group task	Reading / Researching Course Material	Revising for exam	Submitting an Assignment Online
Less	51	18	6	57	9	30	30
Moderate	39	36	48	33	21	42	51
A Lot	9	45	45	9	69	27	18

Table 6 : Tasks done by the Respondents in an Online Setup

	Group Discussion	Presentations	Debates	Student - Teacher Interaction	Group Activity	Workshops	Assignments based on Case Studies	Assignments based on Text Book Reading
Yes	78	69	63	66	66	27	87	48
No	21	30	36	33	33	72	12	51

Table 7 : Tasks done in a Classroom Setup

From the above table we can say that when it comes to a group task, people prefer to work in a traditional class environment, such as planning a group learning task, most of the respondents use online mode very less, but when it comes to doing a task individually such as learning, or submission of an assignment or researching for any course material, online mode is not preferred. Similarly, respondents preferred more of classroom environment for tasks such as Group discussion, Presentations, debates, student – teacher interaction, case study based assignment etc.

	I expect my instructor to be understanding and give me extensions.	I will get it fixed immediately and will use another system in the meantime.	I cannot afford for things to go wrong.	Nothing will go wrong. I have good equipment.
Less Comfortable	6	0	0	0
Moderately Comfortable	18	24	0	15
Very Comfortable	3	24	9	0

Table 8 : Comfort Level in using Standard Word Processor * Indicates how will respondent handle a situation incase of a system breakdown (Crosstabulation)

If we take a look at the above table, we realize that most of the respondents are comfortable working on a computer and using standard word processor and using internet to find information or connect with people and hence they will not face any problem in case of any break down in their machine. They will be quite comfortable and will be able to solve the problem on their own. There are only few of the people who are very comfortable with using word processor but will not be able to solve problem if any occurs in their system. If we also notice, there are approximately 15% of the respondents who say that they have advance equipment and hence are not worried about system breakdown.

		Indicates the intention of the respondent to join an Online Learning Course	
		Yes	No
Indicates whether the respondent has ever joined an Online Learning Course	Yes	21	0
	No	24	54

Table 9 : Indicates whether the respondent has ever joined an Online Learning Course * Indicates the intention of the respondent to join an Online Learning Course (Crosstabulation)

The above cross tabulation shows the relationship between the respondents who at some point in time joined an Online Learning Course and who intend to join an Online Learning Course.

It is observed that out of all the respondents 21% have attended an Online Learning course at some point in time and they feel that it is worth attending online session and hence they said yes when asked whether they have any intention of joining any Online Learning course in the near future. Out of all the respondents 45% safely said yes to join an Online Learning course.

Apart from the above analysis, the respondents were given a set of 27 statements where they had to mention their level of agreement or disagreement about the same. “1” stood for Strongly Disagree and “5” stood for Strongly Agree. From these statements, following has been observed: (Table 123)

- It has been found that many feel that “Online Learning helps to study at any point in time” and hence they prefer an Online Setup for their studies. At the same time, respondents feel that during a Traditional Classroom setup where there would be a face-to-face contact it is easy to clear doubts because there is a teacher student interaction and the response from the instructor would be quick.
- People who prefer to work in groups feel that Traditional Classroom provide clear understanding of the subjects to be studied.
- While respondents think that Online Learning is an important element for any course, they don’t find it as a substitute for Traditional Learning because according to them

Online setup does not provide a platform where they can interact with students in order to share views and points.

- At one hand respondents agree to the fact that it is easy to compose text, means, it is easy to note down points in a computer than on a notebook, and on the other hand they agree to the statement that they prefer listening to an instructor than just reading about the subject.
- As it is seen in the previous analysis that most of the respondents are very comfortable with computers and standard word processors, the same is evident in the following table that digital technologies are not difficult to access and hence an Online Learning setup is preferred.

Statements	Mean
Online Learning helps to study at any point in time	4.00
I can ask my teacher questions and receive a quick response during Traditional Classroom learning.	3.88
I feel that face-to-face contact with my instructor is necessary to learn.	3.85
Instructor has a control in Traditional Classroom Learning setup	3.7
Traditional Classroom learning provides clear understanding of the subjects to be studied	3.67
I prefer listening to an instructor than just reading about the subject	3.52
I like a lot of interaction with my instructors and/or teaching assistants	3.52
I feel Online Learning is an important element for any course	3.44
Traditional Classroom Learning generates interest in the subject	3.33
Online Learning makes studying easier	3.24
Online Learning makes any course enjoyable for me	3.09
I prefer learning via online	3.03
I need a Classroom setting in order to retain the information	2.97
I feel comfortable composing text on a computer in an online learning environment.	2.94
Online Learning provides a better environment	2.88
I am motivated by the material in an Online Classroom activity outside of class.	2.88
Getting access to internet for Online Classes is difficult	2.76
With Online Learning it is easy to interact with students / tutors	2.67
I believe a complete course can be given by the Internet without difficulty.	2.64
I don't find Digital technologies so user friendly	2.64
According to me without Online Learning it would be difficult to study	2.45
I could pass a course on the Internet without any teacher assistance	2.45
I am a good reader and hence does not need a Traditional Classroom setting	2.39
Learning is the same in class and at home on the Internet.	2.39

Table 10 : Agreement Level of the Respondents for the Statements (1=Strongly Disagree, 5=Strongly Agree)

From the following two tables it can be seen that most of the respondents are ready to take an Online Course if they don't have time for a Traditional Class, and also for an experience. Very

few feel that they will join an Online Class to save time or only for the sake of a degree. Most of the respondents are willing to join an Online Classes.

Statements	Frequency
If I don't have time to take a traditional class, then I will go for it.	30
If I just want a degree, then only I will take classes over internet.	12
I do not look forward to it.	12
I look forward to the experience.	30
It saves time.	15

Table 11 : How does the respondent feel about taking class over internet

Response	Frequency
Yes	69
No	30

Table 12 : Indicates whether respondents will opt for Online Learning Setup for Professional Course if provided

6.0 Conclusion

Online learning is here to stay. More models will emerge to continue to push the limits of how higher education can be delivered. Many students who take online classes are nontraditional—they are older, they work full-time, and they have families. Their busy lives prevent them from attending traditional classes to earn the degrees they need to advance in their careers. Online learning is their solution, their way to obtain a degree that can better their career possibilities. Implementing best practices can ensure that students who take online courses receive the same quality education as students in a classroom.

Policymakers are key to designing the environment in which online learning will operate. They can help establish, fund and grow online programs within their public higher education systems. Policymakers also will be involved in decisions regarding regulations. While academic bodies play an important role of monitoring program legitimacy and quality to protect students, they also should be flexible enough to allow for online innovation and growth. The more these bodies collaborate with online education providers the more they can develop balanced and effective policies for the betterment of education. The demand for Online Learning is growing, the pressure to provide better quality and service with well qualified instructors is mounting, Quality online education can help build a platform for people who cannot afford to go for a traditional class due to unavoidable reasons and build a society of well-educated and literate people.

If Online Learning is here to stay, Traditional Classroom is also not a fade. If one can say that an Online setup can provide a platform for people who are not able to attend traditional class, it can

also be said that Traditional classroom setup is a safe haven for people who cannot either afford to have an Online Setup in terms having access to internet via smartphones, tablets, desktops etc. the reason for the same could be either being in some remote location or not enough family income to afford these gadgets. The other issue could be lack of information technology knowledge.

Collaborative learning is favorable to students in traditional courses.

Traditional learning environments provide with opportunities for face-to-face interaction and to those who prefer collaborative learning. A brick-and-mortar school provide a different feel in social circles and also offers academic support which may come from peers on campus.

Traditional learning also has a positive influence on acquiring knowledge, clarifying goals, interpersonal skills.

In an era where information technology is a necessity along with the nature of work and the skills needed to be successful, an online setup supplements a traditional classroom setup.

With the exception of desktop video conferencing, the online classroom has no immediate verbal exchange, and no visual cues for body language or facial expressions, but it does offer immediate connections to global resources and collaborative tools.

Online learning, and opportunities for online interaction, is available to anyone, anytime, anywhere, given basic literacy of minimal computer literacy, typing skills, and access to a networked computer.

Online learning is becoming more and more modularized. Less motivated students often require the physical classroom environment for motivation and monitoring of their progress.

Traditional Classroom and Online Setup each have unique advantages. The supportive face-to-face environment of the classroom allows immediate feedback, which has been viewed as essential to a quality educational experience. Facial expressions and body language are vital clues to the level of student understanding and engagement, and fundamental to recognizing those teachable moments.

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The Art of Gifting

An Exploration on the Potential of Handicrafts in the Gifting Segment with focus on Generation Y

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Abstract

Gifting among family, friends and even business associates is an integral aspect of the Indian social fabric, as a mark of celebration and blessing on many occasions. Handicrafts products reflect rich Indian art and culture and being handcrafted, provide scope for customization making it a potential 'gifting' product. With more than 52% of the India population below the age of 24 years, this study explores the potential for handicraft products for gifting among the youth audiences. The study aims at understanding the existing incidence and disposition to gifting among the youth audiences, their pre-purchase behavior, channel preferences and the key deciding factors for choosing a product for gifting. The study also maps the inclination of the youth to gift handicraft products and identifies the drivers and barriers for gifting handicrafts. The study makes an emphatic case for use of online channels as a means to market handicrafts and reach the biggest segment.

Key Words: *Youth behaviour, handicrafts, gifting, Branding, Online channel*

1.0 Background of the study

The increasing Purchasing Power of the Indian Youth, constituting 52% of the population of the country is a high potential market for the declining Handicrafts segment in India. However the evolving shopper behavior of the youth pose a challenge to the traditional handicraft segment. The growing affinity of the youth to the online media and channels of purchase is an opportunity

that can be explored for promoting handicrafts. Handicraft products cut across apparel, accessories and home decor segments and hold potential for gifting across age groups. To understand the affinity of youth to handicrafts, the potential of handicraft specifically for gifting has been explored in this study, as the ‘gifting segment’ is a growing market in India.

Purchasing Power of the Youth

The study begins with an exploration of studies on “youth as consumers”. A lot of reports have been published on youth as potential and prospective customer. One such study by Ernst & Young Study titled “Yousumerism”, which was conducted in 8 cities with a sample of 1500 respondents in 2007 threw up the following findings:

- 52% of India’s population is below 25 years of age
- 129 million are between 22 to 28 years old of which 8% or 10 million based in metros and termed as ‘Aspirers’, mostly unmarried or recently married.
- Of the 129 million, 90% are transiting from student to working phase, with first jobs and have a whole new chunk of disposable income at hand.
- Monthly disposable incomes of this group ranges between Rs 5000 to Rs 8000 in metros and Rs 3000 to Rs 6000 in tier 1 cities, 50% of which is spent on largely on apparel and Eating out and balance on entertainment driven by impulse in a world of instant gratification.

The Opportunity in the Gifting segment

A recent study by Technopak (2014) points out to the huge opportunity emerging in the Gifting Segment in India as also need for personalized products.

According to the study “The gifting industry in India has registered a strong growth over the past decade thanks to rising income levels and aspirations. Also aiding this growth are such factors as, on the demand side, the widening of the customer base, and, on the supply side, the offering of innovative products at attractive prices. The gifting market’s size is estimated at USD 40-42 billion, with many players reporting annual growth in the range of 20-40%. It comprises corporate gifting and personal gifting, with the former making up a significant share.Non-food personal gifting, which was largely restricted to bed-sheets and small electronic items, now includes attractive candles, other home décor items, soft toys, personalized gifts, gift vouchers, artificial jewelry, artworks, etc.The evolution of the Indian customer has played a key role in bringing about this change, as this customer has both the willingness and the ability to pay for innovative products.At the same time, personal gifting is on the rise and an ever-higher

number of occasions are being added to the tally which includes not only anniversaries and birthdays, but also such ones as Valentine's day, Father's day, and Mother's day, among a long list. The consumers of today want a touch of style, uniqueness, and personalization in their gift items, in order to match their status."

The untapped Handicrafts segment

India counts amongst the primary suppliers of handicrafts to the world market. The salient features of Indian handicrafts industry is its highly labour intensive, majorly cottage based industry and decentralized, being spread all over the length and breadth of the country spanning rural and urban areas. Large numbers of artisans are occupied in handicrafts work on part-time basis. The industry gives employment to over six million artisans, which include women and people belonging to the Bottom of the pyramid/ weaker sections of the society.

In addition to the high potential for employment, the sector is economically important from the point of low capital investment, high ratio of value addition, and high potential for export and foreign exchange earnings for the country.

"The handicrafts industry has over the years contributed significantly to the employment and foreign exchequer of the country. It is omnipresent, with each state contributing through one or more crafts and has made tremendous progress during the last decade. The demand of handicrafts products in the domestic as well as international market is huge and varied. Despite such a high demand, only a fraction of this opportunity is being utilized. The key reasons being limited access to the market and weak product promotion. Therefore, a concerted effort has to be made to harness the demand potential of handicrafts both in domestic & international markets."

Office of Development Commissioner (12th plan)

The Growing Opportunities in the Handicrafts segments have been well documented by many reports and studies conducted by Government, semi-government, NGOs and independent studies. The cumulative findings are presented below:

- Increasing admiration and appreciation for handicrafts by consumers
- Pervasive novelty seeking by customers
- Huge discretionary income at disposal of consumer

The growing Digital Marketing opportunity

Growing Internet and mobile penetration has also been documented in many studies (Marketing Whitebook, 2014, ISPAI study etc.). According to the 'India Online Landscape 2013-14' report, wherein 121311 individuals surveyed among 24225 households in 109 towns and 5841 households across 196 villages;

- India has 106.9 million regular Internet users, of which 23.5% are students.
- India has 555 million mobile users, 80% of which are based in urban areas and 24 % between the ages of 19-24 years in metros.

E-tailing trends depicted by Technopak's report (May 2013), titled 'E-tailing – Unlocking the potential' state that

- The e-tailing segment is set to grow a hundredfold from \$0.5bn or 0.1% in 2012 to \$76 billion or 5.3%.
- The market penetration of e-tailing business beyond metros ranges from 30% to 50% across categories.
- At an overall level, Apparel and lifestyle products lead the e-tailing category along with electronic goods with 30% share each, while books and music constitute 15%.

An article on a leading Newspaper website cites Vivek Mathur, Founder and CEO at Giftease.com as "Online Gifting market in India is a USD 100 Mn industry..... Online gifting industry makes 10-15% of the total eCommerce market in India. My estimate is that it would be 10-25% of the online sales in several lifestyle categories. Also, the recent ASSOCHAM report on eCommerce mentioned gift articles as one of the categories most frequently bought online"

2.0 Need & Significance of the Study

The study seeks to explore the current status of handicraft products in gifting segment. Gifting industry is growing at a scorching pace as is evident from numerous studies and secondary data sources.

The study would benefit artisans, handicrafts enterprises by way of providing insights on targeted segment's orientations, preferences and behaviours. Consumers would benefit by getting better choice for gifting and widespread availability of handicrafts would cater to their urge for novelty seeking in terms of gift purchase. The study also seeks to investigate the deployment of online channels for tapping the large market of Youth as there is a synergy between youth and use of online channels.

3.0 Research Methodology

Objectives of the study

- To explore Consumer orientations, behaviours with regards to handicrafts
- Analyzing customers' attitude towards gifting and preferred gift categories.

Variables Studied

- Independent Variables :

Age, Gender, Gifting Budget

- Dependent Variables :

Customer awareness, preferences, behaviours of youth towards gifting in general and handicrafts in particular.

Type of Research: Exploratory

- Research Design: Survey and Unstructured Interviews
- Tools used for data gathering: Questionnaire and Interviews.

Sample Design

- Sampling Plan for Survey
 - ✓ Sample Size :104
 - ✓ Nature of Sample: Youth in the age bracket of 20-30years, Gender: Male and Female
 - ✓ Sampling Technique: Convenience
- Sampling Plan for Unstructured Interviews
 - ✓ Sample Size: 15
 - ✓ Nature of Sample: Youth in the age bracket of 20-30years, Gender: Male and Female
 - ✓ Sampling Technique: Convenience

Techniques used for analysis: Quantitative & Qualitative.

- Quantitative analysis was done using measures of central tendency, pie charts, graphs etc.
- Qualitative Analysis was done using content analysis of verbatim garnered from the interviews

The findings of the Quantitative and Qualitative study are amalgamated to draw key insights as well as to overcome the drawbacks of the two- quantitative and qualitative- when analyzed singularly.

Scope and Limitations:

- The study was limited to Mumbai City, to that extent the findings are not generalizable pan India. Further, study is limited to Youth segment of the population. Other segments viz. middle aged, geriatric segments are beyond the purview of this study.

4.0 Data Analysis & Interpretation

Data Analysis and Interpretation is being presented in two parts: A. Quantitative Data Analysis and B. Qualitative Data Analysis.

- **Quantitative Data Analysis and Interpretation**

- ✓ Potential of gifting in general

- Beneficiaries of gifts:

- Friends are the main recipients of gifts with 47% share followed by relatives (42% share).

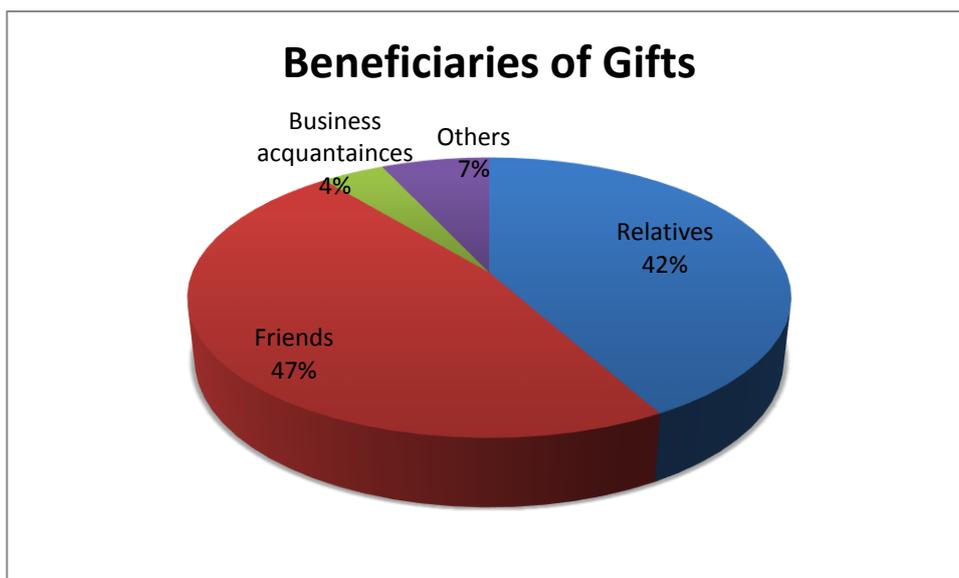


Figure 1 : Beneficiary of Gifts

- Frequency of Gifting

- Almost 40% of the TG gift once a quarter followed by 20% who gift once in 6 months and one a year each whereas 8% do so once every month.

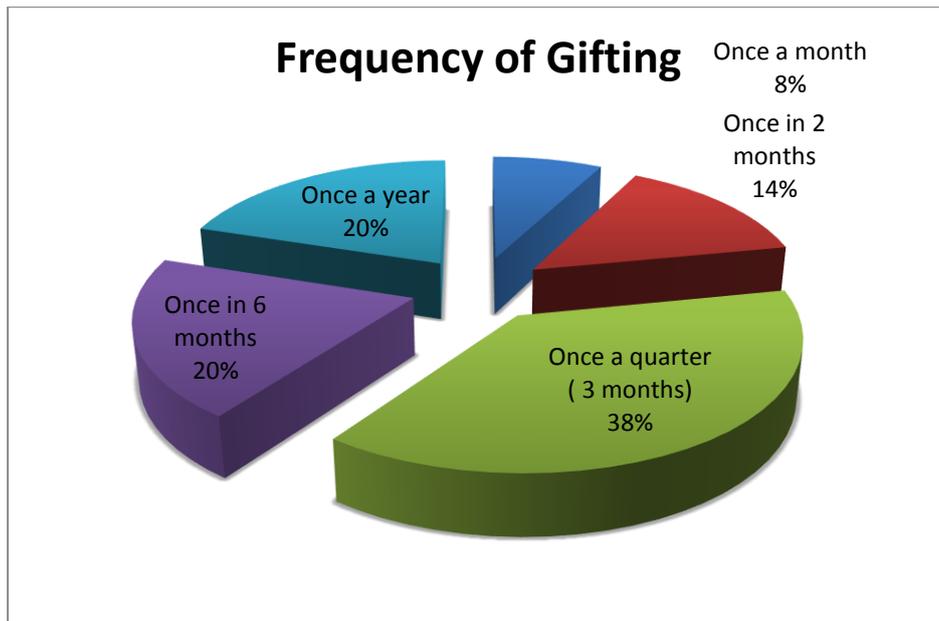


Figure 2 : Frequency of Gifting

- Gifting product categories

Accessories and apparels together make up almost 50% of the products gifted. Accessories are the first choice for gifting with 28% share followed by apparels with 20% share and electronic/digital products with 14%. Jewellery, Home décor, Cash and other (non electronic) products were least preferred categories with 11%, 9, 6% and 5% respectively.

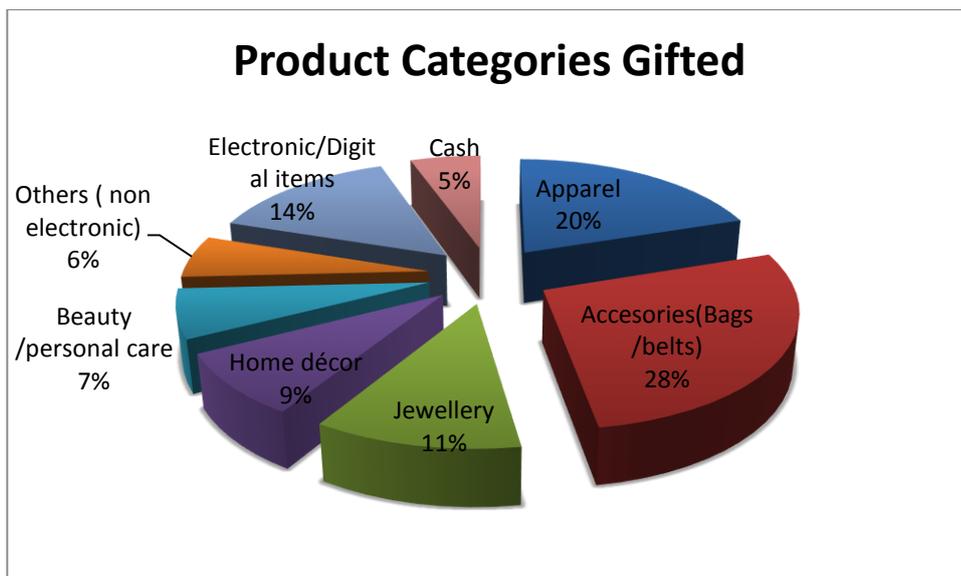


Figure 3 : Product Categories Gifted

- Preferable price points

The most popular price ranges for purchasing a gift ranged from Rs 500 to Rs 1000 plus for 75% of the respondents. Around one fifth of the respondents indicated a budget between Rs 200 to Rs 500.

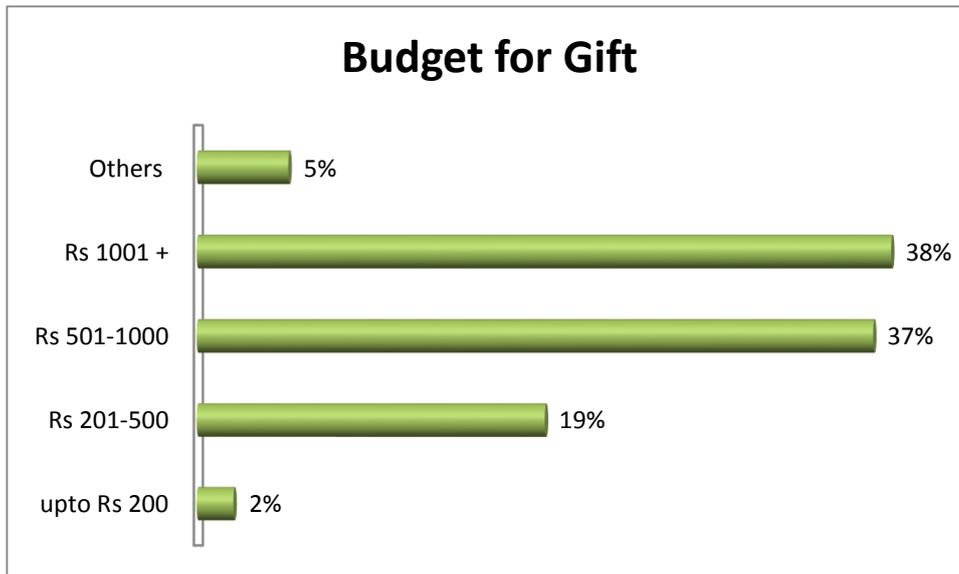


Figure 4 : Budgets for Gift

- Preferable channels for purchase

Malls were the most popular channels for purchase of gifts followed by local markets. Online sites scored a higher preference than Exclusive branded shops with 20% share while Exhibitions were the least frequented channel with just 5% share.



Figure 5 : Channels for Buying Gifts

- Deciding factors for purchase

Brand image was the most important deciding factor for purchase of gifts with 36% share. WOM and quantum of discount mattered with 25% and 20% shares respectively. Print ads had negligible influence with just 3% share.

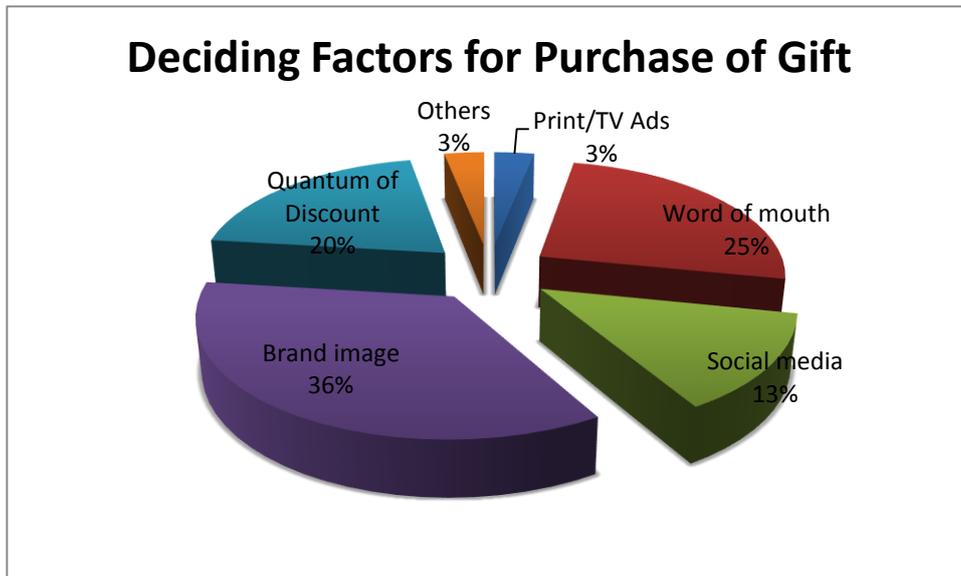


Figure 6 : Deciding Factors for Purchase of Gift

- Pre-purchase behavior

Online research was the most prominent pre-purchase with 38% incidence. Referrals were sought by 30% of the TG while one fourth of the respondents preferred to check out options at retail outlets.



Figure 7 : Deciding Factors for Purchase of Gift

✓ Disposition to handicrafts

▪ General disposition

Almost 3 out of every 4 respondents had never gifted handicraft products.



Figure 8 : Inclinations to Gifting Handicraft

▪ Unfavorable factors :Barriers

Lack of awareness /knowledge about handicraft gift options was the biggest barrier with 29% mentions. Lack of availability (19%), quality (19%) and old-fashioned perception (17%) were the other barriers for purchase. Lack of branding also featured as a barrier with 7% mention.



Figure 9 : Barriers for Gifting of Handicrafts

- Favorable factors

The appreciation for the ‘handmade’ and traditional aspect of handicrafts were the top two drivers with 31% share each followed by the exclusive craftsmanship which featured with 24% share. ‘Support for artisan ‘ got the least share with 11% mentions.

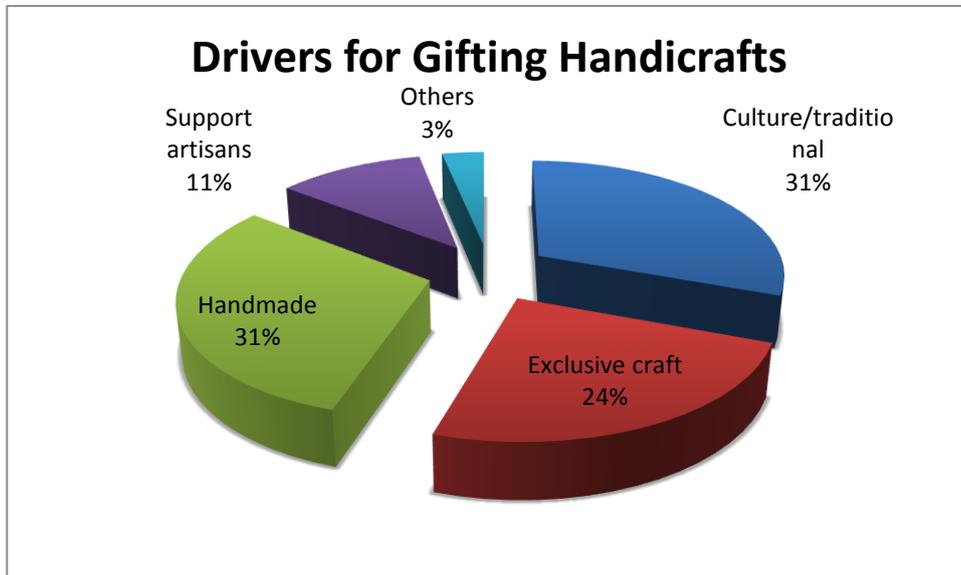


Figure 10 : Drivers for Gifting Handicrafts

- ✓ Potential of handicrafts in gifting segment

- Preferred handicraft categories

Accessories and home décor had equal preference with 29% share each followed by apparels with 24% share.

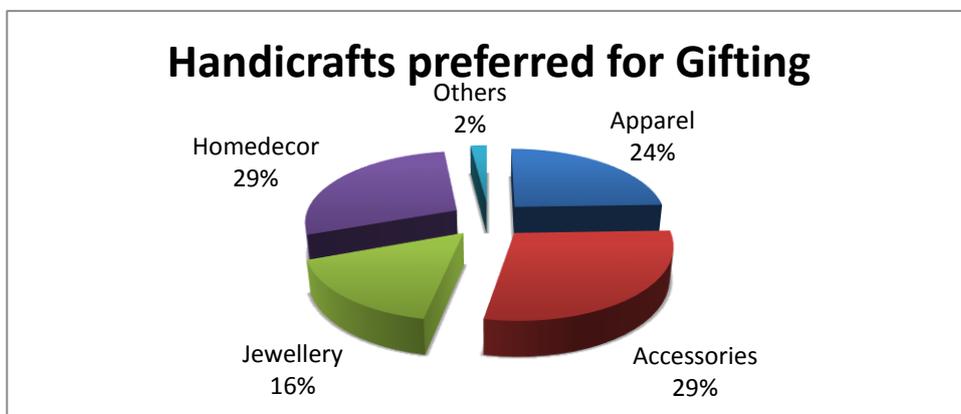


Figure 11 : Handicrafts preferred for Gifting

- Preferred channel of handicraft purchase

Exhibitions were the most frequented channel for purchase of handicrafts with 42% preference. Online sites had the least frequency with 5% of the TG mentions, while local shops in markets scored 2nd highest preference of 34%.



Figure 12 : Preferred Channels for Buying Handicrafts

- Sources of Information

Exhibitions and WOM referrals were the most important sources of information about handicrafts with 33% share followed by newspapers with 23% share.

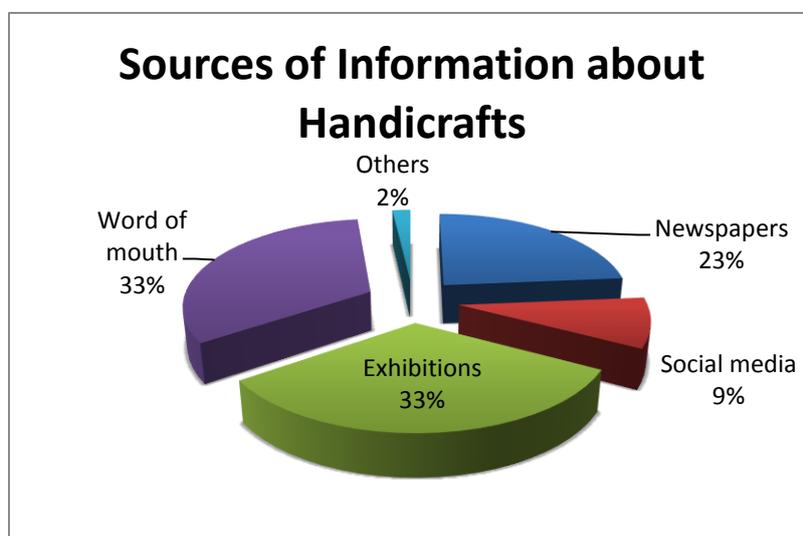


Figure 13 : Sources of Information about Handicrafts

- **Qualitative Data Analysis and Interpretation**

Probing by way of unstructured interviews revealed that youth are favorably disposed towards Handicrafts as a category, but when it comes to gifting they had issues such as lack of access; inconsistent quality; shoddy packaging; lack of awareness and handicraft items being deficient in branding so no value can be ascribed by the recipient to the gifted item. The biggest pain point verbalized was lack of availability and choice of handicrafts on online channels. Further, respondents aired that lack of brand identity of handicraft items is also closely linked to lack of trust on quality of handicrafts items. Nevertheless, respondents appreciate certain aspects of handicraft items viz. these being handmade; by virtue of being handmade handicrafts have an air of exclusivity- hence when gifted would make the recipient feel special; opportunity of customization and personalization which all handicrafts products offer.

Hence the major themes emerging from qualitative study are :

- ✓ Product Limitations of Handicrafts in terms of inconsistent quality
- ✓ Deficiency in Branding of Handicrafts hence missing on the very vital trust which otherwise a brand exudes
- ✓ Inaccessibility in terms of Distribution & Logistics
- ✓ Need for Personalization and Customization in gifting and which handicrafts are amenable to.

5.0 Key Findings & Recommendations

Amalgamating the findings of Qualitative and Quantitative Study following recommendations can be put forth.

- Awareness and imagery are key to build youth franchise for handicrafts - Need to build Social Value Perception
 - ✓ Social media campaigns could be used to generate ‘Craft Conversations’ and build imagery of handicrafts
 - ✓ Platforms such as FB and Pinterest can be leveraged for building advocacy and endorsement of handicrafts



- Leveraging the e-tailing opportunity in sale of handicrafts
 - ✓ Need to increase presence on e-commerce sites and bridge the availability barriers
 - ✓ E-exhibitions can be explored
 - ✓ Social-gifting.jpg



- Handicraft product innovation - Customization and Personalization

- ✓ Each Handicrafts being unique lends itself to tremendous Customization and personalization- a big draw when gifting to near and dear ones. Gifted Handicraft item can bear some insignia, signature, photograph etc. which caters to the youth's desire for making unique personal statement and standing out from the crowd.



5.0 Conclusion

The study clearly indicates that there exists a huge potential for handicrafts in the gifting segment. The potential if tapped would have multiplier effect and benefit artisans through the length and breadth of the country and give a push to our timeless handicrafts in dire need of some succour in terms of marketing and branding support. Youth's favourable disposition towards handicrafts can be tapped by way of using such channels of influence and contact which have a connect or are used by the segment. Online channel could prove to be a boon in this regard by providing a feasible, light asset model and throwing open doors/ avenues for tapping a huge segment which has the purchasing power and will rule the roost as far as consumption is concerned in the coming decades.

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