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EDITORIAL

FROM THE EDITOR'S DESK

Dear Readers,

Warm Greetings! Welcome to the PARIVARTAN - Journal of Management Research. We are pleased to inform that we are entering in the third year of our publication. ORIENTAL INSTITUTE OF MANAGEMENT through Parivartan endeavors to promote and disseminate knowledge in the complex multi-disciplinary management field. The journal encourages theoretical and empirical research papers and articles of relevance to both academicians and practitioners. The journal publishes articles from areas such as finance, accounting, marketing, operations management, human resources management, statistics, international business, information technology, environment, risk management, globalization and related areas.

We, at OIM, have been striving to inculcate and develop in our faculty and other members - a structured approach towards the out-of-the-box thinking, innovation and research. We are working with steadfast devotion to create a research environment that genuinely and justifiably addresses to certain vital aspects like diversity among human beings, our managerial and entrepreneurial eco-system as also the broader canvas of the Indian as also global business, economic and industrial environment.

We do hope that our research initiatives at OIM positively impact our industrialists, policy and decision makers to develop an appreciation towards genuine applied research at our educational institutions. This will go a long way in emergence of new possibilities.

This issue contains eleven excellent articles. All the articles and research papers are the result of commitment and meticulous efforts by researchers. I express my very sincere appreciation for their willingness to make this effort and share their ideas.

I take this opportunity to extend my sincere gratitude to all the authors of the current issue of this journal. I welcome comments, suggestions and healthy criticisms from the readers for making the future issues of our journal more valuable.

Hope the journal will serve the intellectual appetite.

Ms. Shakti Awasthi
Editor

INDEX

	Page No.
1. Impact of International Marketing Practices on Indian Lubricant Marketers Duraishamy R. Kamaraj	01-06
2. Economic Viability of Non-grant Colleges; Case Study of Colleges of Mumbai University Dr. Mahadappa Gonda	07-13
3. A Conceptual Study of Women Entrepreneurship Ritu Sarvate, Dr. D. D. Bedia	14-17
4. Retaining Skilled Employees - A Challenge in Competitive Era Rolam Tiwari	18-22
5. Inclusive Growth in Higher Education in Maharashtra Dr. L. K. Karangale, Prof. B. S. Waghmode	23-26
6. Human Resource Management and Competency Development Jagadeesh. B, Madhura. K	27-32
7. Assessing Service Quality and Customer Satisfaction by Using SERVQUAL Model: An Empirical study of Organized Retail stores in Mumbai Ankita Srivastava, Reema Negi	33-41
8. Impact of privatization on the performance of Public Sector Enterprises Dnyanesh P. Bandgar	42-48
9. Strategies for Inclusive Growth in India Jayesh Nayak, Swapnil Sonje	49-53
10. Psychological Contract Breach – A Challenge for Engaging Employees and Managing Talent Shakti Awasthi	54-61
11. The Changing Trends of Unit linked Insurance Plan (ULIP) Business in India Dr. V. S. Kannankamalanathan	62-70

Impact of International Marketing Practices on Indian Lubricant Marketers

* Duraisamy R. Kamaraj

1. INTRODUCTION:

The Indian Petroleum Industry was dependent from very beginning on foreign capital, expert personnel and the technology however prior to 1992 the lube industry in India was controlled by the 4 major Public Sector Oil Companies namely Indian Oil, HPCL, BPCL and IBP and a handful of private companies like Castrol, Gulf Oil, Tidewater. However Public Sector Oil Companies controlled 90 percent of the market share as the distribution and canalization of base oil import being controlled by the Government of India. However domestic players started shedding their share of market on arrival of MNC Oil Companies. Marketing practices continuously getting evolving based on the competition level in a given marketing environments. The American and European markets are facing toughest competition and very low market growth which is unlike in Indian market before liberalization. To put it numerical forms, these markets are evolved three to four decades advancement in comparison to Indian lubricant market.

As happening around the world, further to liberalization in Indian market also the international marketing/ marketing practices started taking head on with the domestic marketing practices and it is believed phenomenon that the domestic players in most cases need to lose their market share to the multinationals. It is evident that most of the scholar's very keen to know how the globalization would amend marketing practices, how it would affect developing countries and it increases curiosity to understand how Indian market would witness these changes in the next decade. The recent studies have witnessed domestic players started learning the tricks & techniques and adopting revised strategy

to handle MNCs who have entered Indian soil therefore market share erosion of domestic players are getting restricted. It is now very much evident that the marketing practices undergoing rapid changes over last two decades between traditional and newer marketing concepts brought by the MNCs. On the part of consumers whether they are getting benefited from these changes and due to these changes whether product quality and services are improving and whether Original Equipment Manufacturers (OEMs) are adoptable to this marketing changes.

The Indian OEMs prefers to work with foreign MNCs or would like to continue relationships with domestic players, whether foreign OEMs set-up their shop in India would like to continue their relations maintained in their up countries also here or they would like to set-up new partner. As did in up countries the Lube Oil would become commodity in India, i.e. Indian Lubricant Industry will adopt 'mass marketing concepts, mass customization' How all these changes will make the Indian Lubricant Market in the future, what are best marketing practices the Indian Lubricant Industry in the future, Therefore the exact title of the problem is.

2. REVIEW OF LITERATURE:

There are various research works are being undertaken by the researchers on the topic of impact of globalization on Indian Industry. However, there are very few research papers which exactly deal with specific subject topic of impact of multinational marketing practices on domestic marketers in India. Some of the relevant research papers which have created interest to undertake this research are given below,

a. **Pahwa.M.S. and Attri Rekha** in their article “A study of the brand association of customers with public sector oil marketing companies” published in The Indian Journal of Commerce, January –March, 2012. concluded that the perception of the brand values is different for different groups, it is important for the OMCs to have a clear distinction of their target market, based on the consumer behavior and their consumption patterns.

b. **Bharadwaj, S.G., Thirunarayana. P. N., and Raj. P.** in their article “Attitudes towards Marketing Practices, Consumerism and Government Regulation: An Exploratory Survey of Consumers in India” the authors focuses on consumer attitudes towards marketing practices, consumerism and government regulations in a developing country, i.e. India. The results of the study indicate a high level of consumer skepticism with the operating philosophy of businesses, dissatisfaction with prevailing market practices, and support for the consumerism movement.

c. **French, Barksdale and Perrcault (1982)** pointed out that consumer discontent is unlikely to disappear entirely in any country, and criticism of businesses’ marketing activities, whether justified or not, will always be present.

d. **Oburai Pratap (2005)** Indian Institute of Management Ahmadabad, India, concluded in his exploratory study of international marketing in India; India firms, multinationals and competitiveness that the sources of competitive advantages in a few chosen sectors, selected firms and explores the internationalization possibilities and potential. The author emphasis that Indian firms are more international than ever before.

3. OBJECTIVE OF THE STUDY

The following are the objectives of the study:-

- To evaluate the **Future Marketing Practices** trends in Indian Lubricant Industry.

- To study **Theory of Mass Customization** in lubricant marketing in Indian Lubricant Industry.
- To study the emphasis on **OEMs Relationship Management** by Lubricant Manufacturers.
- To study the **Communication Revolutions** that has put-in very strong networking for the International Lubricant Marketers to reach all the corners of India.

4. RESEARCH METHODOLOGY

The study is descriptive and analytical in nature. This study provides some basic knowledge about how various organizations operate in Indian Market, both International Marketers and Domestic Marketers. For the purpose of the study the survey method was followed. The study is based on primary data and secondary data. It is based on 14 major oil companies in Mumbai & Navi Mumbai.

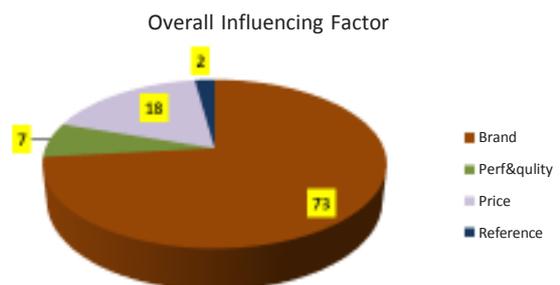
5. Analysis of Data

The detailed analysis is given below:

a. Purchase preference of Consumers:

The respondent were asked on purchase preference of on parameters of ‘Brand Image’, ‘Product Quality’, ‘product price’ and ‘reference given by others’. The respondents were asked to consumers’ preference as overall influencing factor among the above and the respondent’s responses are given the chart below:

Chart No. 1
Overall Influencing Factor



Source: Primary Data

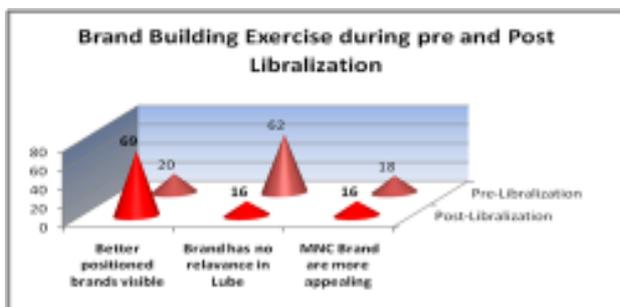
The efforts made by various oil marketing companies in creating awareness seems to making the market matured and customers are getting in mass customization process. It is evident as more than 70percent of the respondent felt that Indian lubricant consumer prefer brand as overall highly influencing factor. This is very clear demonstration of Brand power. The next preferred influencing factor is reasonable pricing. Thus, the overall influencing factor for purchase of Lubricants is Brand .

b. Brand Building during Post and Pre Liberalization:

Further to liberalization most of the major lubricant marketers in India had undertaken **Brand building exercise** to position their brands more appealing. Though few private oil marketing companies were underktaing brand building exercise before liberalization, mojority of oil marketing companies were marketing as industrial products only. To verify how brand building exercise are being carried-out before liberalization and after liberalization the respondents were asked about the visibility of brand building efforts during post and pre liberalization.

Chart No.2

Brand Building exercise during Post and Pre-Liberalization



Source: Primary Data

The above analysis revealed that brand building process was very much visible during last decade as 62 percent of the respondents have given their concern the question. Interestingly, another 22 percent have given concern that MNC brands are

more appealing. About 16 percent of the people felt branding of Lubricant has no relevance as lubricant is considered as industrial product.

c. Pack label information:

In developed markets, the majority of the lubricant consumers to read **Pack label information (Performance Credentials, OEM Endorsement, etc)** in order to understand performance credentials and other informations of Lubricants while purchasing them. In order to verify whether such concept are being adopted/ promoted by the Indian Marekters while positioning products in the market. The response given by the respondents are given in the table below:

Chart No.3
Pack abel Information



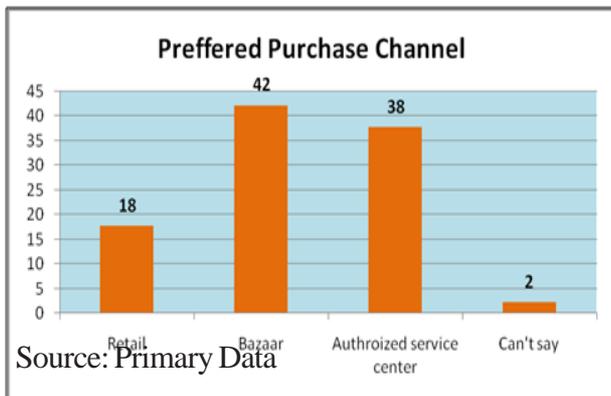
Source: Primary Data

The above analysis revealed that 67 respondents accepted providing detailed pack label information in positioning Lubricants in the market and 24percent of the respondents felt consumers would find difficult in understanding the credentials. As per the Indian consumers knowledge level positioning 67percent of Lubricant based on detailed pack label information is significant growth Thus it can be concluded that like developed countries in India also Lubricants are provided with more pack label information due to consumers interest shown on the same.

d. Preferred Purchase location

There are various channels added further liberalization of Indian economy due to raising competition. The respondents were asked about preferred location of purchase of lubricant. The responses given by the respondents are given in the chart below:

Chart No.4
Preferred Purchase Location



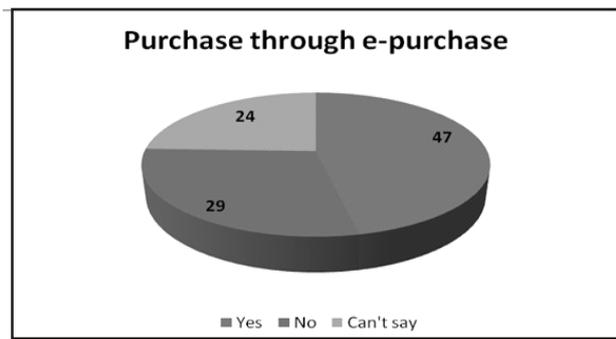
42percent of the respondents feel that sourcing either directly or indirectly at the bazaar channel would much preferred channel as more varieties of brands of Lubricants are available to choose as well as there is a possibility of negotiating the prices. The respondents also felt that discounts are given only through bazaar channel and the same is not available with other channels. However equal amount of respondents (38percent) felt that sourcing lubricant through Authorized Service Centers. This development is certainly further to arrival of MNCs as they were promoting the concept of OEM approved Lubricants and now most vehicle owners have opinion of servicing vehicle through authorized service centers

d. Purchase of Lubricant through e-purchase:

In developed countries the required lubricant, brand or specification, performance level, OEM approved lubricants can be home delivered by a small messaging services (sms). Either the sms required to be sent to the concerned Lubricant marketing company or the internet support provider would pick-up the sms and sent it to the concerned organization to respond to the customer. whether such concept of lubricants would be sold through internet would be applicable for Indian consumers.

Chart No.5

Purchase of Lubricant through e-purchase



Source: Primary Data

From the above, it is clearly evident that selling lubricant through web channel is possible with Indian consumers as almost half of the respondents felt that it would be possible. However about 30percent of the respondents felt that it may not be possible to sell lubricant through internet channel.

e. Servicing Vehicles through Authorized Service Center:

The concept of servicing vehicle through authorized service center practiced in developed countries. The authorized service centers mainly are Original Equipment Manufacturer workshops and independent authorized service centers. However, in India a highly busiest channel of servicing vehicles are by the 'independent service providers' To check the concept of progress of servicing vehicles through authorized service centers, the respondents were asked whether servicing vehicles through authorized service center would continue to be promoted. The responses given by the responded is given in the table below:

Chart No.6



Source: Primary Data

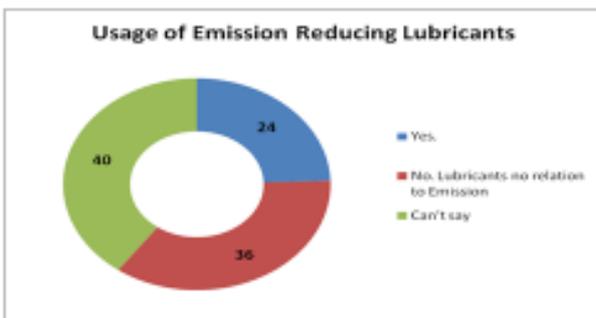
The concept of servicing vehicles through authorized service center is getting accepted very well because more than 50 percent of respondents responded that the concept is getting very well accepted. However, 38 percent of the respondents felt that the vehicles would get serviced from unknown service centers/independent service providers.

f. Usage of Emission Reducing Lubricants:

Vehicle and Industrial Emissions and pollutants are greatest concern for any nation in the world. Vehicular emissions are controlled mainly due to better quality fuels and by adopting change of fuels systems. However, emissions can be reduced/controlled using better quality lubricant, specifically in motor bike segments and it is accepted in the developed market. Following developed countries trends stringent emission norms are being systematically implemented by Govt. of India. The responses given by the respondents are represented below:

Chart No.7

Usage of Emission Reducing Lubricants



Source: Primary Data

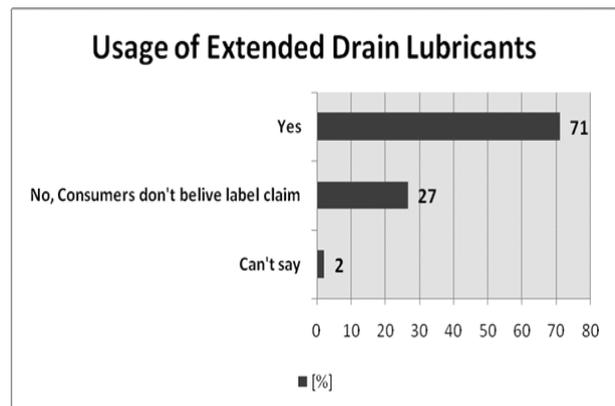
40 percent respondents couldn't be able to conclude whether Lubricants would be considered for reducing emissions. However, 36 percent respondents felt that lubricant would not be used for reducing emissions and 24 percent felt that a good quality lubricant would be used to curb emissions. Thus it is concluded that Lubricant would not be used as tool for reducing vehicular emissions.

g. Use of Extended Drain Lubricants:

The trend of *extended drain* oils; *double drain*, *fill for life* are well accepted phenomenon in developed countries and this is being promoted in India also. Indian consumers have started believing the extended drains and got encouraged to use more extended drain oils and responses given by respondents are represented below in the chart:

Chart No.8

Use of Extended Drain Lubricants



Source: Primary Data

71 percent respondents accepted that use of Extended Drain Lubricants would be very well accepted in Indian Lubricant Market as the consumers start realizing benefits of extended drain Lubricants. However, a small percentage (27 percent) respondents felt that the consumers wouldn't believe in label claims and positioning such products would be difficult. Thus majority of the respondents felt that acceptance of extended drain oils are getting very well in the market. It is concluded that like in up-countries the concept of extending drain intervals of Lubricant would be very well accepted in Indian Market.

6. CONCLUSIONS:-

1. Brand Building of Lubricants: The Branding building process was very much visible during post liberalization as 62 percent of the respondent given their concern to the question that better positioned brand are getting accepted in the market.

2. **Pack Label Information:** Indian lubricant consumers are started showing interest to understand pack label information as happens in developed market as significant (67percent) respondents accepted positioning products with greater label information are benefitting in Lubricant branding process.

3. **Purchase of Lubricant through e-Purchase:** Selling lubricant through web channel is possible with Indian consumers as almost half of the respondents felt that it would be possible to sell the lubricant thru web channel however about 30percent of the respondents felt that it may not possible to sell lubricant through internet channel.

4. **Brand Power:** The market is witnessing different pricing for same performance / segment product as more than 60percent of the respondent felt that better positioned branded Lubricants would provide more profitability. However about 30percent of the respondents felt that branded products are costly hence the majority of the consumers would choose alternate products for high branded lubricants.

5. **Purchase Preference of Consumers:** When respondents asked about consumers preference between the variables of 'Brand Image', 'Product Quality', 'Product price' and 'reference by an influencer'. More than 70percent of the respondents felt that Indian lubricant consumer prefer brand as overall high influencing factor. This is very clear demonstration of Brand power.

6. **Globalization of Indian Lubricant Market on Global Basis:** Majority have accepted that Indian Lubricant Market is getting globalized as per ideology of free world of global economy. The process of Global Integration is happening to the Indian Lubricant Industry and it is getting integrated into similar type other part of the markets. Thus it is concluded that globalization is been happening in Indian Lubricant Industry and due to this globalization process most of Multi National Oil Companies already present in Indian market to providing best of competitive environment in the industry.

7. **Acceptance of Emission Reducing Lubricants:** High quality lubricants can contribute reducing emissions however Indian Lubricant user may not able to visualize or accept that Lubricants can contribute reducing emissions as majority of the responded felt that positioning lubricant as emission reduction tool would not be acceptable in the market, thus it is concluded that Lubricant mightn't be used as tool for reducing vehicular emissions in positioning the lubricants.

8. **Acceptance of Extended Drain Lubricants:** The trend of extended drain oils, double drain, and fill for life are well accepted phenomenon in developed markets and this being promoted in India also. The majority accepted that use of Extended Drain Lubricants would be very well accepted in Indian Lubricant Market as the consumers start realizing benefits of extended drain Lubricants. The majority of the respondents felt that acceptance of extended drain oils are getting very well in the market. It is concluded that like in developed market the concept of extending drain Lubricants would be very well accepted in Indian Market.

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Economic Viability of Non-Grant Colleges; Case Study of Colleges of Mumbai University

*** Dr. Mahadappa Gonda**

Abstract

Who is responsible for producing unemployable / under employable graduates by the colleges (institutions) of higher education in India? There is a perception of the employers that the graduates from even prestigious colleges (institutions) not quite employable (A. Gnanam 2013). Million of graduates coming out of the colleges each year with their degree certificates and searching for suitable jobs in the job market. But just around 15 to 20 percent of them only are able get jobs as per as per their qualification and rest of the graduates have been compromising with whatever the jobs they get for their livelihood. Financial earning of such graduates many a times and many places in the country is lesser than the non-graduate youths. Daily wages ordinary workers without any skills presently earning Rs 400 to 500 per day which comes to total earning per month Rs 12000 to 15000 and graduates without any specific skills work for are being paid monthly salary around Rs. 6000 – 7000 onwards but less than Rs. 15000. The quality of higher education, general education in particular, has been proving inefficient in developing the employable human resources. Among the various reasons responsible for the present scenario in higher education about deteriorating quality, funding of the colleges is one of the important and basic reasons. An attempt is made in the present study to analyse the economic viability of non-grant colleges which are important part of Indian higher education system. The colleges with sound financial sources, generally, can concentrate better on the quality aspect of education and can produce good human resources who will be accepted by the job market. Graduates from premier institutes like IITs and IIMs, are being placed even before they complete their degree, with good pay package

INTRODUCTION

Higher education system in India has been proving its inability to produce and develop the human resources which will useful for specific work of the society and nation building. One out of six graduates from the colleges in India is employable as per the job markets. Quality of higher education has become an important issued not only global level but even at national level. There has been considerable quantitative growth in the number of colleges, universities and enrolment of students during last decade, particularly from the year 2003-04 onwards, but bulk of the graduates have been proving unfit for the job market. There is opposite correlation between the job seekers and job providers, jobs are available but job seekers are not getting suitable jobs and enough number of

graduates are available but job providers are not getting suitable candidates. All the stakeholders of the present higher education system are jointly responsible for the present scenario in the higher education. And each stakeholder has to solder certain responsibility to change the present scenario and make the colleges performance oriented.

Certain steps have been taken by the central government of India and few state governments bring quality improvements in higher education with the philosophy of access, equity and quality. The governments have adopted liberal policy to allow private trusts to establish and manage the colleges with their funds for easy access of higher education to all the needy youths. The policies of the governments like various scholarships, reservations in admissions etc are for providing equal opportunity

to all the deserving candidates to take higher education. Various schemes, like special grants for quality experiments, for college development, NAAC, RUSA etc have been introduced by the government for quality enhancement of higher education.

Private participation in higher education sector including other sectors has emerged as need due to the acceptance of liberalised policy. The government introduced the concept of NON-GRANT colleges in higher education in which private trusts were given permission to invest their money to start a college and manage it to run a particular course and charge certain fees from the students. To attract more private participation governments adopted a policy to give certain incentives and liberty in managing the colleges. This philosophy of higher education of private sector has changed from social approach to commercial approach, not for profit approach to moderate profit approach. This approach resulted in increasing participation of private trusts in higher education consequently the number colleges managed by private management including non-grant colleges has become more than the public funded institutes (colleges). These private colleges, particularly, non-grant colleges started competing among themselves to attract more number of students to earn more income through fees and other sources. However many private colleges realized that running a college as per the guidelines of regulatory bodies like University, UGC, DTE and so on is unprofitable and their survival became a problem. Such colleges started experiencing economic un-viability and many of them started various short cuts and malpractices to enroll the students by neglecting towards the quality of education. Simultaneously they started adopting cost cutting strategies like appointing temporary faculty, by appointing visiting faculty, underpaying them, providing substandard basic educational inputs, not appointing regular principals to manage the college. All such strategies of made the colleges money making and degree producing centres rather than the centres of human resource development.

Objectives of the Study:

Non-grant colleges managed by the private sector in higher education system in India have become financially handicapped and economically unviable which has been affecting on the quality of higher education and the proportion of unemployment among the graduates has been increasing. The present study is made with the following objectives.

- Analyze the costs of running a college run by a private management
- Analyze the sources of funding of non-grant college
- To find out relation between the economic viability of a college and quality of education
- To make certain suggestions for financially self reliance

Methodology:

The present study is based on the data collected from both, primary as well as from the secondary sources of information. It is a case study of non-grant colleges of university of Mumbai and the colleges have been providing lot of information to the university as mandatory discloser and University also has been publishing some basic information of its affiliated in its annual report. And such information has become primary source for the present study. And the writer is also involved in administrative work of a non-grant college since last six years his personal experience also used as source of information. The University of Mumbai being regulatory authority decides the rules, basic requirements and guidelines of affiliating a college for the purpose of getting first affiliation and yearly affiliation. All such basic conditions and rules are used base for calculating cost of running a college and its sources income. Hence there was no need of any type of field survey for collection of data for this study.

Scope of the Study:

The present study is confined with the following aspects of the colleges

- The study is about economic viability of non-grant colleges affiliated to University of Mumbai
- Costs and Incomes of college is calculated on the basis of basic conditions laid by the University of Mumbai for first affiliation and subsequent affiliation
- Economic viability is studied only those colleges which run traditional courses in the faculty of Arts, Commerce and Science
- Though there are different types of non-grant colleges, the present study is mainly concerned with the general colleges dealing with arts, commerce and science courses
- The study is about the colleges which do not get any type of grant from any government and managed by the private trusts self finance

Review of Literature:

Higher education in India is in the Colleges not in Universities said by A. Gnam in an article "Need to Adopt International Frame work for Indian Higher Education". According to the writer around 90 percent of the graduate students enroll in affiliated colleges not universities. However these colleges are not among top tier institutions which are capable of doing research which is one of the basic expectations from higher education system. Work of the colleges during recent years has become like tutorial institution preparing the students for university examinations. The article 'Whiter Higher Education, by J. Shashidhara Prasad, is about funding problems of the universities in India. Many conventional universities have started distance education and/or correspondence course to generate funds in the absence of full financial support from the government. The faculty who are appointed on regular basis to teach to regular courses are used for running distance/ correspondence courses. Single faculty universities run only professional courses charging exorbitant fees from the students and many a times seats are auctioned. Selection of students for admission is based purely on the basis of capacity of the student

to pay. One cannot expect the products (students) of such universities will the serve the society with love and care. The only motivation will be to earn back the money spent on education.

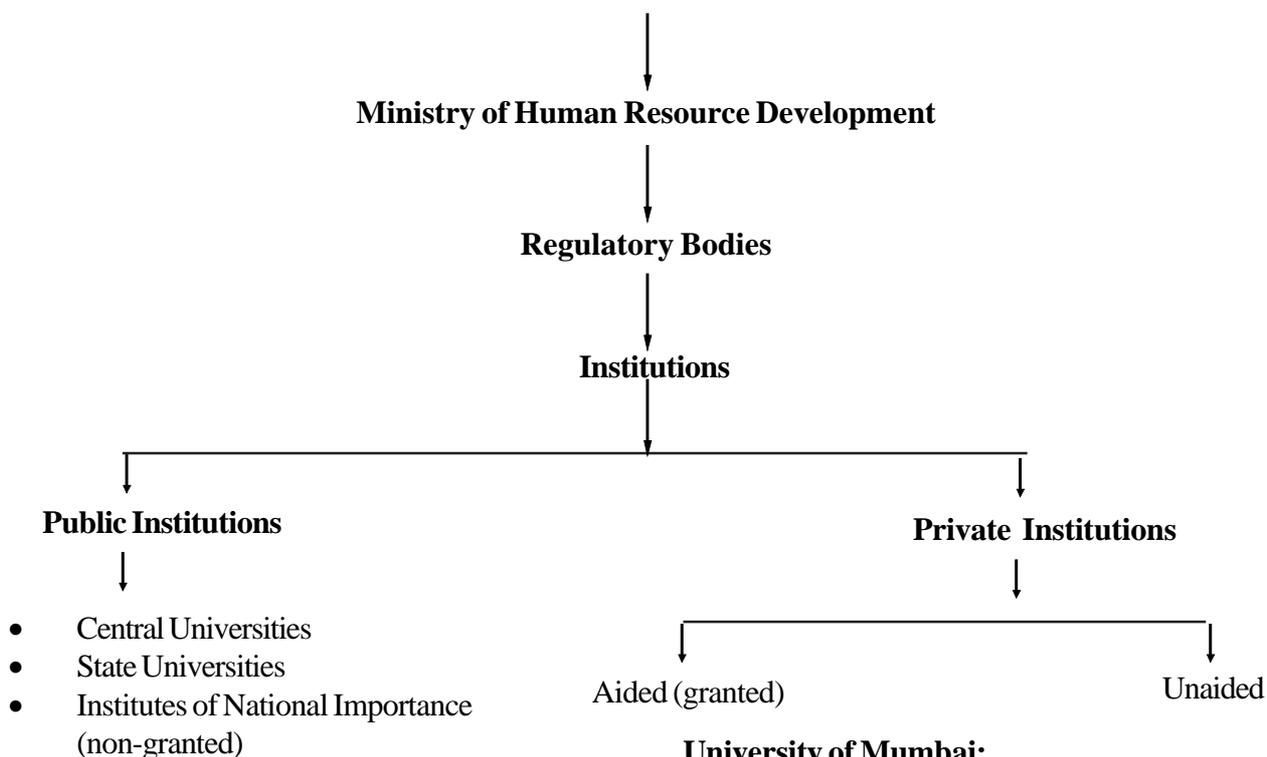
'Despite financial constraints, the colleges have not mobilized the resources from private due to, their trustees don't want to loose the complete personal control in managing the institutions, since the colleges were aided by the governments' revealed a survey report of 20 colleges by Mr. Jaiprakash M. Trivedi. The colleges are quite old and they have their own campuses and adequate infrastructure facilities. But maintenance of infrastructure and physical facilities was the problem due to lack of budget. Library and the laboratories were ill-equipped due to lack of finance. Majority colleges surveyed did not have regular full time faculty, teachers were appointed on temporary basis and were underpaid which affected on academic functioning of the colleges. The study revealed that the governance of college was individual centered and not collective, the work committees were just on paper to show to the regulatory bodies and principal of the college had subordinate role. Higher education in India has been becoming more and more commercialization by neglecting the fundamental objective. The fundamental objective of higher education as per Gandhian philosophy was 'integration of the body, mind and soul of the learner to awaken the true potential of the student'. But that is being neglected by majority of the colleges. More students in the present era attract towards easy methods of getting education and the private institutes are ready to meet this need, written in article Indian Higher Education at Crossroads, by Ajai Pal Sharma. Money crunch is one of the most important problems being faced by most of the state universities. The universities are introducing various types fees to the affiliated colleges to raise funds. And just by paying affiliation and other fees the colleges get continuation of affiliation, many a times without the recommendations of university constituted committee. This resulted in diluting the quality of college education.

Higher Education System in India:

Indian higher education system has been managed by the public and private institutes. Importance of higher education has been increasing in the recent past due to heavy demand from job market for knowledgeable manpower. The governments, both central and state, have adopted a policy to motivate participation by private aided and unaided colleges in higher education. Eventually this resulted in heavy

increase in number of universities and colleges and the enrolment. There were around 634 universities and 35539 affiliated colleges by the end of 2012 with more than 20 million enrolment. The number of colleges in private is presently higher than the number colleges in public sector and enrolment of students in private sector colleges was around 76 percent of the total enrolment by 31st March 2012.

STRUCTURE OF INDIAN HIGHER EDUCATION



Indian higher education is headed by the ministry of Human Resource Development and regulated by various autonomous bodies established exclusively for higher education. The total institutes (colleges & Universities) are divided on the basis of funding pattern and their management. The institutes funded and managed by the governments are public institutes and the institutes managed by the private trusts/management are known as private institutions. The institutes of private sector are divided as aided and unaided institutes (colleges). The higher education system in India is presently dominated by the private institutes due liberal policy of the government and due to commercialization approach.

University of Mumbai:

The university of Mumbai is one those first and oldest universities established in 1857. The university has 711 affiliated colleges as on 31st March 2013 with total enrolment around 600000 students inclusive of all courses. Out the total affiliated colleges there were 428 colleges in general education, arts, commerce and science with enrolment around 500000 students. The remaining affiliated colleges were involved in various other courses like engineering & technology, management, and other specialized courses. The colleges having permanent affiliation were around 211 and remaining 500 colleges were having yearly affiliation. University of Mumbai is the third largest in terms of affiliated colleges after Pune University with 811 affiliated colleges and Rashtra Sant Tukdoji Maharaj University, Nagpur with 800 affiliated colleges.

Out of the total colleges affiliated to University of Mumbai around 405 colleges (55%) did not have regular and eligible principals to administer the college during the year 2012-13. Out of the 405 colleges without principal, 29 colleges were granted and the salary of principal of these colleges will be paid by the government. Whereas 376 colleges were non-grant colleges who did not appoint regular principals and one of the basic and solid reason for not appointing the eligible principal for sake of cost saving. Out of 376 non-grant colleges without principal, around 200 colleges belong to the category of general colleges running traditional courses in the faculty of Arts, Commerce and Science. Majority of these colleges were located in Mumbai Metropolitan City and its suburbs and were also running professional courses like Computer Science, Information Technology, Accounting & Finance, Banking & Insurance.

Economic Viability of a College:

The University of Mumbai has specified certain mandatory requirements and prepared the rules for the colleges who want to apply for first affiliation

and for continuation of affiliation. It also has also fixed fee structure to be charged by the colleges for each course. It is obligatory on the part of all the affiliated colleges to follow the rules and fulfill the mandatory requirements. Based on the university rules and fee structure economic viability of a non-grant college running traditional courses in the faculty of Commerce and Science is analysed. While analyzing the economic viability the certain assumptions are made, as under;

- The governments, local/state, allotted public land to the colleges at nominal cost and land cost is not considered in the total cost.
- Construction cost of a college building is calculated at break-even cost
- The cost and income of the colleges running B. Com & B. Sc. Traditional courses, is considered
- It is assumed admissions of all three classes, First Year, Second Year and Third of both the courses is full with 120 students each class and each course
- The colleges follow all the regulations of the University of Mumbai.

Income and Cost Structure of a College

Number of Students:		
B. Com 3 classes at 120 students each class		360
B. Sc 3 classes at 120 each class		360
	Total students	720
Fixed Costs:	1. Building including class rooms, office, etc 15645 sq. ft (1500 sq. mt) Rs 3000 per square feet	Rs 4.7 crores
	2. Furniture & fixture, classrooms, office etc.	Rs.0.20 crores
	3. Lab equipments, computers	Rs.0.10 crores
	4. Library books	Rs.0.02 crores
	Total (A)	Rs. 5.02 crores
Running Costs:		
Salary to:	Assistant Professors, 7 @ Rs 40000 pm (IVth pay)	Rs. 30.80 lacs
	Principal, @ Rs 80000pm (consolidated)	Rs. 9.60 lacs
	Office Staff Rs 30000pm (consolidated)	Rs. 3.60 lacs
	Office & administration Costs	Rs. 6.00 lacs
	Total (B)	Rs 50.00 lacs
Running costs per student per year: $5000000 / 720 = \text{Rs. } 7000$ approximate		
Fixed Costs @5% depreciation on 5.02 corers, $2500000 / 720 = \text{Rs. } 3500$ approximate		
Total costs of education per student per year Rs 10500		

Income:

- Fees Prescribe by the university, average fee per student per Rs 6000 approximate
- Deficit per student per annum (10500 -6000= 4500), yearly deficit for 720 students will be around 32 lacs

Findings:

- Private management of non-grant college will not compensate such deficit continuously for longer period due to commercial approach of private colleges
- Some time admission seats remain vacant due to drop outs or non availability of students for admissions which increases the amount of deficit
- Qualified teachers expect their salary as per the scale and college management avoids to pay as per scale
- The candidates eligible for the post of principal are not ready to join as principal due to less salary offered by the college management, instability in job and sub ordinate role of principal in administration work
- College administration work is given to the faculty who is senior among the existing faculty and who is loyal to the college management
- Colleges appoint faculty either on lecture basis and/or part time basis and or on contract basis for a period of 10 to 11 months and paid accordingly
- College management avoids to appoint regular full time eligible faculty for cost saving
- Job uncertainty for the faculty which resulted in frequent faculty turnover
- Certain malpractices are being done by college management to attract the students and retain the existing students for subsequent years
- The practices like, liberal policy in internal assessment of student's academic performance, liberal marking in semester end examination, exemption in attending the lectures and majority students were also happy that they are getting their degree easily without any efforts
- Discrepancies in infrastructural facilities and educational facilities provided by the college

management and mandated by the regulatory bodies

- College management is more concerned about promoting to the students to next classes and assuring the students assurance of issuing a degree
- The committee constituted by the university for recommending continuation of affiliation visits once in few years, some time once in more than five years and makes recommendations for affiliation for all the yeas with retrospective effect irrespective of fulfilling the mandatory requirements
- The number of stakeholders of higher education committed for quality education and for the real development of human resource was so less that their efforts could not bring any considerable change in higher education
- Majority non-grant colleges have become economically unviable which is affecting adversely on the quality of college education resulted in developing unemployable/under employable graduates.

Suggestions:

In order to change the present scenario of quality of Indian higher education all the stake holders jointly and collectively have to make sincere efforts with proper coordination towards common direction. The following suggestions are made based on the findings and personal observation.

- **Effective Implementation of Regulations:** The regulations regulatory bodies towards establishment and management of a college are to be implemented effectively both by the colleges and by the regulatory bodies
- **Clubbing/Closing of College:** The colleges not enrolling minimum number of students for any course or courses continuously for three years should be clubbed with the nearby college or should be asked to close. Such colleges practically can't give proper justification to the students

- **Good Governance:** The college management and the regulatory bodies including governments need to introduce a transparent system, fair rules and fair code of conduct, give priority to the interests of the students rather individual interest.
- **Change in Attitude:** There is urgent need of change in attitude of all the stake holders towards improving the quality of higher education. All should feel it is joint responsibility of all the stakeholders. College management should consider education is not a business activity, parents should be ready to share additional cost if any for quality improvement, the students should get degree with knowledge and regulatory bodies should be fair in regulation of colleges, faculty should be committed for bringing change in quality of education.
- **Reduction of Politicization:** Around 90 percent of the private colleges are managed the politicians or by their closest people. Even the state universities are politicized in recruitment of administrators and professors. Such recruited employees will be less useful for bringing quality improvement.
- **Reducing number of Regulators:** Multiple regulatory bodies to regulate the colleges and absence of proper coordination among them create, many a times problems and confusions for the affiliated colleges. The colleges spending resources just to complete the formalities of all the regulators will not help in improving the quality of education. Reduced regulatory levels can help cost and time saving
- **Self Regulation:** Imposed regulations many a times become burden on others and self regulations become more effective in bringing discipline in higher education. Giving priority to group interest and to welfare of the student can bring self regulation and vice versa

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A Conceptual Study of Women Entrepreneurship

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ABSTRACT: - This paper point out about women entrepreneurship. Here we have studied that earlier women were not treated as entrepreneur but nowadays situation is changing slowly pattern is changing now women are emerging as good entrepreneur .Women are improving their skills and getting knowledge about various issues related to entrepreneurship. Women are learning problems and there solutions faced by them while starting any business .Also we discussed about characteristics of women entrepreneur, perception and view about comparison between men and women entrepreneurs. Also we studied about policies for women entrepreneur.

Key words: Women entrepreneurship

Objectives of the study

The research objectives for the project undertaken can be defined as follows:

- To study concept about women entrepreneurship.
- To study overview about women entrepreneurs.

INTRODUCTION-

Women in India: - The Indian sociologically setup has been a male dominating culture. Women are considered as weaker as compared to men and always to depend on men in their family and outside, throughout their life. The Indian Culture made them only subordinates and executors of the decision made by male member in family.

Women sector occupy nearly 45% of Indian population. The literacy and educational status of women improved during past few decades. More and more educational and research institutions are imparting knowledge and specialization. At this stage effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs for women.

Quality of an Entrepreneur: An effective entrepreneur requires some skills and qualities which are as follows:

- Innovative thinking and farsightedness
- Quick and effective decision making capabilities
- Ability to mobilize and effective use of resources.

- Strong determination and self confidence
- Preparedness to take risk
- Accepting changes in right time.
- Access to latest scientific and technological techniques

Matching the basic qualities required for entrepreneurs and the basic characters of Indian women reveal that much potential is available in Indian women among entrepreneurial activities.

Literature Review

Women are always treated as minor class of population. Different researchers had researched on this area of women entrepreneurship. In this research paper of Misc M. Ivana((2011, No. 3-4, 76-93) “**Characteristics of female leaders and their position in the business world**” she analyzed that the main objective of this paper is to understand characteristics of female leaders, their style and management. In this paper it is explained that how leaders work and motivate their employee for their positive attitude.

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Leadership is always considered masculine but there is feminine quality also like cooperation, mentoring and collaboration. Leadership has been following functions like planning, development and control and process of management.

It is concluded in this paper that leaders are important part of any organization, they have knowledge, talent to produce creative changes in the organization specially female leaders have good managing power to achieve better results.

In this research paper of Ray Sarbapriya and Aditya Ray Ishita (Volume 2 Issue 1, 2011) “**Some aspects of women entrepreneurship in India**” they analyzed about women entrepreneurs and defined them as group of women initiate, organize and manage a firm or organization. The objective of the study is to examine the issues relating women entrepreneurship development in India and to investigate the problems faced by woman’s entrepreneurs in India. This paper on women entrepreneurship results from an exploratory process. The main problems faced by women entrepreneurs are information, Capital, market, network and not having knowledge of schemes and policies. The main issue of women entrepreneurship development in India discussed in this paper is the main constraints facing women to become entrepreneurs or existing women entrepreneurs to sustain or grow.

In this research paper of Mary Barrett (2010) “Looking a new at women’s entrepreneurship: How the family firm context and a radical subjectivist view of economics helps reshape women’s entrepreneurship research (Women Entrepreneurs in Family Business: A Radical Subjectivist View)” she explained that in spite of a huge population females are always neglected. She focuses on the context of women entrepreneurship: the value of a family firm perspective, radical subjectivist (RS) view of entrepreneurship, the entrepreneurial imagination, women’s ‘special leadership qualities’, developing

complimentarily skills in the next generation, Modularity and family/non-family issues, Real options reasoning, Perceptions of whether women are more or less entrepreneurial than men. In this paper it is concluded about approaches to entrepreneurship, combining with focus on family firm context of women entrepreneurship.

Das Malika Associate Professor, Department of Business Administration and Tourism and Hospitality Management, Mount Saint Vincent University, Halifax, N.S. pg67-82 she discussed in her paper that women entrepreneur who own and manage small to medium sized enterprises in two states in southern India- Tamil Nadu and Kerala. It examined the problems these women faced during the setting up and continued operation of their businesses, and the work family conflicts that these women faced. It also looked at their reasons for starting a business and the self reported reasons for their success.

The initial problems faced by these women seem similar to those faced by women in western countries. However, Indian woman entrepreneurs faced lower levels of work family conflicts and seem to differ in their reasons for starting and succeeding in business. The **main objective** of the paper were to provide a profile of the woman entrepreneur in two states- Tamil Nadu and Kerala; ,.to examine the problems faced by Indian women entrepreneurs in the start-up stage of their businesses, to examine the nature of work-family conflicts by these women; and to examine the self-reported reasons for their success.

In her paper the **data** was collected through **in depth personal interview**. A questionnaire is used to guide the researcher. Open ended questionnaire is used. The final sample consists of 35 women. This study examined the problem faced by women in two states in southern India. By this paper it is **concluded** that majority of the women entrepreneurs studied were operating their businesses as private limited companies that were 100% owned by themselves.

Kaneria falguni Assistant Professor, Shri Patel Kelavani Mandal College of Tech. & B.Ed. – Junagadh Volume: 2 | Issue: 2 | November 2012 | ISSN - 2249-555X in her paper studied that One primary objective of this paper is to find out the status of women entrepreneurs in India. In Hindu scriptures, woman has been described as the embodiment of shakti. But in real life she is treated as Abla. This paper includes rationale behind the women entrepreneurship.

Another main objective of this paper was to analyze policies of Indian government for women and also to analyze that are those policies enough for the growth of women entrepreneurship. Main reasons for women to become an entrepreneur, the institutions that are helping the women to put their thoughts into action are also included in this study. Another objective of this paper was too deeply analyzing the profile of women entrepreneurs and problems faced by them while pursuing their business. On the basis of this analysis some recommendations are given to promote spirit of women entrepreneurship and helping the women to become a successful entrepreneur. It is concluded that empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business.

In this research paper, of Dr. Vijayakumar, A. and Jayachitra, S.” WOMEN ENTREPRENEURS IN INDIA - EMERGING ISSUES AND CHALLENGES” they analysed that nowadays slowly slowly women entrepreneurship is gaining importance. Various policies and institutional framework are developing entrepreneurial skills. Govt. is also providing various schemes and policies for development of women entrepreneurs. This paper focuses on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and to analyse policies of Indian government for and problems faced by them while pursuing their business. Various problems faced by women entrepreneurs are shortage of finance, marketing

problems, shortage of raw material, stiff competition, limited managerial ability, high cost of production, low risk taking ability, family conflict, training, legal formalities, credit facilities etc. It is concluded in this paper that women entrepreneurs are now growing; various policies are also formulated by Govt. to assist women entrepreneurs.

ANALYSIS: -

In the above paper it is found that women entrepreneur must be supported by different agencies. Also helpful in understanding the different styles and characteristics of female leaders. Leaders are important part of any organization specially women because they have good managing power. Also analyzed different issues, problems and policies related to women entrepreneur.

INTERPRETATION:

From the full research paper it is interpreted that earlier women entrepreneurs were neglected and not given proper attention. But the scenario is changing nowadays women leaders are also given equal importance, because women have better quality of managing and managing issues. Many issues and problem related to women entrepreneur like finance, schemes, production. All these issues are analyzed and interpreted in this research paper.

CONCLUSION:-

Entrepreneurship is presently most discussed and encouraged concept all over the world to overcome economic challenges. Women have huge potential and capacity to become good entrepreneur. In this paper we discussed about whole concept of women entrepreneurship. Also we analyzed and studied about various problems faced by women entrepreneur. Various areas were discussed like characteristics of female leaders and their position in business world, many problems faced by women entrepreneurs, reasons for starting a business, policies and institutional framework. By this overall

study we found various areas of women entrepreneurship.

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Retaining Skilled Employees - A Challenge in Competitive Era

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Abstract:

Human resource is the life line of any organization. The human resource department basically deals with recruitment, selection, training and development of employee and their compensation and appraisal. Today's organizations are now days, found to be technology driven and human resource are required to run and drive the technology.

The big challenges that organization is facing today is not only managing these resources but also retaining them. Retaining trained and talented manpower play and essential role for any organization because employee knowledge and skill is strength to companies ability to be economically competitive. Retaining top talent is a primary concern for many organizations today. Employee retention is most critical issue facing corporate leaders as a result of the shortage of skilled labour, economic growth and employee turnover. It is the process of keeping good people for the long period of time or completion of the project. In this paper we will discussed the major factors that are affecting the retention of employees in the organization and what is strategy s required in the organization.

INTRODUCTION :

'Employee retention is all about keeping good people'

"we can't stop employees to leave, until we have a plan to make them stay"

Come to the hr carnival. Spin the wheel round and round and where it stop nobody knows. Does that aptly describe the world we live in, when it comes to the availability of our scarcest human resources: loyal and engaged talent?

"Effective employee retention is a systematic effort by employee to create and faster an environment that encourages current employee to remain employed by having policies and practices in place that address their diverse needs. Also of concern is the cost of employee turnover (including hiring cost, training costs, productivity loss). Replacements costs usually are 2.5 time the salary of the individual. The costs associated with turnover may include lost customers, business and damaged morale. In addition there are the hard costs of time spent in screening, verifying credentials, references, interviewing, hiring, and training the employee just to get back to where you started."

Managers' perception of the maning of ' employee retention ' can vary from the mechanical ('reduce

this employee turnover figure to an acceptable level') to the abstract ('it's about our culture and values').

Some managers view employee retention as a distinct, controllable element of labour management ('its about compensation and benefits') and other consider it a cross functional , pervasive, and seemingly all encompassing set of values or methodologies ('its about our culture and how we treat people').

Basically, Employee Retention is the effort by employers to encourage current employee to remain employed with the organization . Programs such as learning and development, reward, and recognition, succession planning and providing policies and practices that address their needs are example of ways of retaining employee.

Employee Retention involves taking measures to encourage employee to remain in the organization for the maximum period of time. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There no dearth of opportunities for a talented person. There are many organizations which are looking for such employee. If a person is not

satisfied by the job s/he's doing, s/he may switch over to some other more suitable job. In today's environment it becomes very important for organization to retain their employee.

Companies today are forced to function in a world full of change and complexity, and it is more important than ever to have the right employee in order to survive the surrounding competition. It is a fact that a too high turnover rate affects companies in a negative way and retention strategies should therefore be high on the agenda.

It is predicted that under different economic cycles, different HRM practices have differential impact on employee turnover. Typically, in an economic recession, employees are less willing to quit their job because there is fewer employment options available. Therefore, everything else being equal, those who do quit during an economic recession may have to be more dissatisfied with certain HRM practices compared to those who quit during an economic boom.

When employee identifies with organizational goals, they are less likely to leave the organization to work for another.

Objectives:

- To identify the need to design effective human resource management (HRM) practices that encourages the retention of high performing employee, particularly among skilled employee.
- To know about various human resources management practices links to employee turnover.
- To assess which HRM practices have greatest impact on employee satisfaction and have potential to reduce employee turnover.

METHODOLOGY:

The study is descriptive in nature and only secondary data has been used in it. The secondary data consist of the information and data collected through books ,research journals, websites .

A Review of Literature

A considerable amount of literature has been published on retention. It means the existence of an ongoing employment relationship. With today's high employment levels, organization find out that balance of power has shifted from the employee since the turn over impact has not been administered well. Excessive turnover is often a symptom of

fundamental problems within the business. It's critically important to retain them; to do this, one must know how an employee can remain in the particular company.

Employee turnover occurs when employee level their jobs and most be replaced. Replacing exiting employee is costly to organizations and destructive to service delivery. It is therefore imperative foe management to reduce, to the minimum, the frequency at which employees, particularly those that are crucial to its operations leave. Retention is a voluntary move by an organization to create an environment which engages employees for long term.

Employees retention also attain benefits such as customers satisfaction, better service, lower costs (Reichheld, 1995), lower price sensitivity, positive word-of-mouth, higher market share, higher productivity and higher efficiency (Zineldin, 2000). According to osteraker(1999), the employee satisfaction and retention are considered the corenerston for success of organization.

Johnston (2001) as he mentioned that customer retention and customer satisfaction should be treated as distinct, but causally inter-linked constructs. Cole (2000) suggests that people stay at such companies where there is a sense of pried and will work to their fullest potential. The reasons to stay are work environment, rewards, growth and development and work-life balance.

The factor which are considered and have direct affect are; **career opportunities, work environment, work life balance ,organization justice, and existing leave policy and organization image. Cappelli(2000)** . Empirical studies (kinnear and Sutherland, 2001; meudell and rodham, 1998; maertzand Griffeth, 2004) have, however revealed **that extrinsic factor such as competitive salary, good interpersonal relationship ,friendly working environment, and job security were cited by employee as key motivational variables that influenced their retention in the organization.**

A study was made by the author (cordery j.,2006) on strategies for improving employee retention has arisen as a consequence of growing concern with in the meat processing industry regarding employee retention and turn over .This report stated that the increasing difficulties in retaining skilled ,effective workers amounted to a looming crisis within the

industry, and called for the development of effective workforce retention strategies within the industry.

Employee engagement: conceptual issue by the author (Little B., 2008) the extent of research on employee engagement demonstrates its relationship to outcome variables important to every organization, such as productivity, safety, employee retention and customer service. If engagement is being used as a group level phenomenon, good research methods require that it be subjected for the development of effective retention strategies within the industry.

THE REASONS OF TURNOVER

There are lots of reasons for which employee leaves an organization. There reasons can be given through the three ‘R’ s of turnover. This includes:

Rewards: Base salary, commission, benefits, incentives, continuing education opportunities, vacation time and retirement plans.

Respect: How they are treated, work environment, personal and professional growth opportunities, recognition and implementation of some of their ideas.

Requirements: clearly defined job duties, realistic goals and expectation and a dress code.

When you implement the ‘Three R’s’ approach, you will reduce turnover and the following:

- Increased productivity
- Reduced absenteeism
- A more pleasant work environment (for both employees and you)
- Improved profits

EMPLOYEE RETENTION: Is it always good???

It is often observed that, a high retention rate is a sign of a company’s good workplace policies and strong human resource department. But in what instances might retention not be desirable.

When

1. The employee is in the wrong job his/her skill level.
2. The employee doesn’t understand the employer’s expectation because there is no clearly defined job description.
3. The employee is not being evaluated based on their job description.

4. The employee has a behavior issue that is disruptive to the other staff and environment.

A successful employee retention program is based on keeping quality employees, who have been placed in the right position. Hiring the right and making sure they know and understand their job description is critical to retention programs.

The first step is to an improved rate is to create a detailed job description and present it to the employee or potential hire. Once been done, the evaluation tool must be matched to the description, so that the employee is assessed appropriately. If there are performance issues, those must be dealt with immediately by management.

Employee retention leads to customer satisfaction

“It’s common sense. When people feel great about the place where they work, they provide better customer service.”

Employee satisfaction leads to customer satisfaction. When internal customers (employees) are happy, they treat external customer well. Customers will keep coming back for more. This grows the relationship and leads to customer loyalty.

Richard Federico, vice president and national work life practice leader at the segal company In “survey links work life programs to employee performance”

According to many management experts, the single greatest key to productivity is employee happiness. Satisfied employee is usually energetic and tends to be highly motivated. For years, the belief was that money was the source of employee happiness and retention. While there is no question that money is important, management studies show that it does not buy employee satisfaction. While employee wants to be fairly compensated for their efforts, they also want to be challenged and treated with respect.

FACTOR OF EMPLOYEE RETENTION

COMPENSATION :

The amount of money paid to an employee and the benefits such as medical, dental, and 401(k) provided. The literature considered that compensation one of the largest for the retention of employees. Compensation plays significant role in attracting and retaining good employees specially those employees whose gives outstanding performance or unique skill which is indispensable

to the organization because company invest more amounts on their training and orientation. According to Trevor et al. (1997) has proved that rise in pay has a negative impact on turnover. Have clearly stated that among all type of reward monetary, pay is considered one of the most important and significant factor in retention, in a research by Moncraz, Zhao and kay (2009).

REWARDS :

The amount of pay, benefits, or equivalents distributed in return for service in a corporate environment rewards can take several forms. It includes, cash bonuses, recognition awards , free merchandise and free trips. It is very important that the rewards have lasting impression on the employee and it will continue to substantiate the employee's perception that they are valued (sibert, 2005). Rewards are very important for job satisfaction because it fulfil the basic needs as well as help to attain the higher level of goals. Among 12750 employees ,at all level of job and in all major industry sector to know about their attitudes toward their workplace and their employees.

WORK ENVIRONMENT:

Physical and psychological working conditions of the organization milory (2004) reported that people enjoy working , and strive to work in those organization that provide positive work environment where they feel they are making difference and where most people in the organization are proficient and pulling together to move the organization forward. According to Miller, Erickson & Yust (2001) it was found that 70% of businesses that incorporated timeworks option reported a number of positive benefit , such as increased business productivity and reduced cost ,improved employee flexibility and work life balance, and increased workforce participation.

FAMILY SUPPORT AND FLEX TIME CULTURE

Research indicates that the existence of family support (such as alternative schedules, supervisor support, co worker support, flex time, work family culture and family benefits etc) with in the organization helps a lot in the retention of talented employee (Gaan, 2008) .research also recognizes

that organization whose support their employee in integrating between family responsibilities and reduce the employee intention regarding leave the job (Allen, 2001).

INSUFFICIENT OPPORTUNITIES FOR GROWTH AND ADVANCEMENT :

Employees want to make progress, to get ahead. They want to make that next step up the career ladder. They think about where they would like to be in 5 years time in 10 years time.

Their loyalty to themselves, to make the most out of the natural talent, the skill, and determination they possess.

STRESS :

The stress of work ,the stress working for long hours ,the related to pressure from above; employee can take only so much .

Stress derives employees into the arms of alternatives employers. They simply wants to get away from the work place, from the people involved, from the firm.

A stressful workplace is really a productive one. Attrition is high, people don't matter; there will always be someone else to fill the vacancy.

LOSS OF CONFIDENCE IN THE FIRM , PARTICULARLY LEADERSHIP :

Confidence matters, Companies go bust; you just need to read the paper, watch the news, to realize the risk involved. When employees the loss confidence in the firm ,s leadership they head to words the exit door. They know that confidence matter that seemingly invincible companies can collapse in days, if not hours.

Other factor fir retention being a challenge is;

- A robust economy
- Shift in how people view their careers
- Corporate cocooning
- A new generation of workers
- Changes in social mores

EMPLOYEE RETENTION STRATEGIES:

Introduction

- Offer fair and competitive salaries.
- Remember that benefits are important too.

- Train your front line supervisors, managers and administrators.
- Clearly define roles and responsibilities.
- Provide adequate advancement opportunities
- Referral.
- Offer retention bonuses instead of sign on bonuses.
- Make someone accountable for retention
- Conduct employee satisfaction surveys.
- Foster an environment of team work .
- Reduce the paper work burden.
- Make rum for fun.
- Write a mission statement for your department.
- Provide a variety of assignments.
- Communicate openly.
- Encourage learning.
- Be flexible.
- Develop an effective orientation program.
- Give people the best equipment and supplies possible.
- Show your employees that you value them.

Benefits Of Healthy / Desirable Attrition:

Good attrition minimizes the adverse impact on business. Desirable attrition includes termination of employees with whom the organization does not want to continue a relationship. It can be through resignation or by the employer.

CONCLUSION:

Human resources are difficult to understand. These are asserts which can makes as well as break an organization. Retaining them will help in the long term growth of an organization and will also add these resources .the issue of employees retention is a complex issue and there is no “silver bullet” or “best way” to solve the problem. the best way to increase retention is to use all of the tools available ,and not just one or two.

Turn over is not always bad. Some people stay in jobs for extended period of time and end producing the same product in the same way for years on end. Turn over create new ideas .

‘Employee retention takes efforts, energy, and resources and the results are worth it.’

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Inclusive Growth In Higher Education In Maharashtra

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INTRODUCTION:

Higher education is not simply about skill training and universities with the possibility of interaction among students and faculty members from various disciplines are part of the learning process. India is the third largest education system in the world, but a high percentage of Indian Institutes have medium of low quality education. A university's primary focus must be developing student's perception and outlook. Inclusion of course with subsidized fees and providing scholarships to meritorious, underprivileged students aids in alleviating the shortcomings of the education system.

Every year thousands of students graduate with bachelor's and masters degrees but are unable to find suitable jobs. The problem of 'educated unemployable' youth is a global phenomenon and this has been identified by many research studies. Academia and business as well as governments have recognized that a change is essential to ensure educational qualifications deliver business relevant competencies that makes degree holders employable.

Industry desires from graduates, the ability to analyze a real life situation and apply the relevant subject matter to find a solution. Industry has to otherwise spend heavily on induction programmes to orient the graduates to business. This investment is quickly converted to wasted expenditure by high attrition rates among fresh graduates. Educational Institutions have to invest in teaching tools and techniques that deliver application and analytical skills.

Education is no longer limited to text books. A plethora of online data providers have created wide

range of articles, blogs, webcasts and reports. Relevant case studies to solve dilemmas in business are posted on numerous sites. Students are exposed to workshops, debates and events on current topics of interest on credit management or management –

centric discussions. A good academic process leverages on these opportunities to deliver application oriented dynamic learning to students. Ensuring the availability of the right tools in the educational system will generate the most appropriate graduating class year on year. This certainly is a better long-term investment model, to consider the lakhs of able and keen students who step out of colleges in search of a good future and the fuel required to drive business growth.

Indians involved in the country's higher education system are somewhat shaken by the realization that none of our leading educational institutes has made it to the list of the world's top 200 institutions. Regardless of how we measure the standard, through randomly accessible internet data or through lagged data, it is true that our relative standards are falling. Building newer institutions may not be the answer to our higher education woes if we do not arrest the decline in the ones we already have. Another point is that resources also need to flow into the non-science and non-management areas.

1. Review of Literature :

Goyal Jaya and Singh D.P.(2014) pointed out that there is insignificant under – representation of OBC in most graduate level professional education course in Maharashtra.

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Tata Institute of social sciences (2007) initiated a study which showed the performance of OBC students in professional courses in Tamilnadu, Maharashtra and Uttar Pradesh is either on par or even better than general category students.

Jandhyala B.G. Tilak,(2007) pointed out that Indian education system is still characterized with conspicuous failures in eradicating illiteracy in universalizing elementary education in vocationalisation of secondary education in ensuring excellence and high standard in higher education.

Goilkar S.B,(2007) pointed out that higher education in India is dogged by a number of problems due to improper policies and procedures.

Mukherjee Amit, (2007) pointed out that integration of secondary with technical education will have to be considered to achieve the twin objectives of more years of schooling and building of a skilled labour.

2. Objectives of the study :

- (a) To understand the position of higher education in India, particularly in Maharashtra.
- (b) To study the performance of higher education in Maharashtra.
- (c) To analyze the inclusive growth in higher education in Maharashtra.
- (d) To suggest measures to achieve inclusive growth in higher education in Maharashtra.

3. Research Methodology :

The study is descriptive and analytical. It is based on secondary data which were collected from books, journals, Reports and websites. The data were tabulated and analyzed from drawing conclusions. A few suggestions are more at the end to improve higher education in Maharashtra.

4. Analysis and Discussions :

1) Educational Progress :

Progress of education in Maharashtra state is shown below
24

Table : 1
Educational Progress of Maharashtra

Sr.No	Parameter	%
1.	Enrolment in Higher Education (2011)	25.1%
2	Education Index	0.715
3	Percent of Income spent on Education	1.3%
4	Gender Parity	0.71
5	Students not enrolled in Education	15.9%

Source : Maharashtra Times : 18-6-2013

Above table indicates that gross enrolment in higher education is 25.1 percent which is higher than India's average of 15 percent. Education index of Maharashtra is 0.715 which is higher than many other states in India. Maharashtra has the lowest investment in education as compared to India's average of 3.5 percent. Gender parity in education is also very high. Around 16 percent of the children are not enrolled in education.

2) Enrolment for higher Education :

Gross enrolment for higher education in Mumbai University is given below :

Table : 2
Enrolment in Mumbai University

Course	Male	Female	Total
B.A	31324	42622	73946
B.Com	113000	101000	214000
B.Sc	15263	16054	31317
B.Engg.	42114	15737	58851
M.A	2953	7536	10489
M.Com	9530	14984	24514
M.Sc	1540	2223	3763
Total	216000	200000	416000

Source : Annual Report of University of Mumbai-2011-12.

Above table indicates that higher enrolment is for commerce faculty both at graduate and post graduate levels. The lowest enrolment is for science faculty. More females are enrolled for Arts and Science faculties as compared to commerce faculty. However, there are more females than males in case of commerce post graduate courses. Girls are less enrolled for engineering faculty.

3) Quality and cost of Higher Education :

Quality and cost of higher education in selected cities is shown below :

Table : 3
Quality and cost of Higher Education

Quality of Higher Education		Lower/ Cheaper Cost of Education	
Rank	City	Rank	City
1	Paris	1	Kaulalumpur
2	London	2	Mumbai
61	Mumbai	12	Delhi
69	Delhi		

(Source : Mah.Times : 22.11.2013)

Above table indicates that Mumbai ranked 61st in case of Quality of higher education and 2nd in case of cost of higher education (cheaper) in the world. The cost of higher education in other parts of Maharashtra is cheaper than the cost of Higher

5) Engineering Enrolment in Maharashtra :

The Enrolment of Engineering students in Maharashtra is given below :

Table -5
Engineering Enrolment in Maharashtra (2006)

Category	Reservation of seats (%)	Admission through Cap(%)	Admission by Institutions (%)	Total Admissions (%)
SC	13	12	1.8	8.5
ST	7	1.0	0.1	0.7
VJDT/NT	11	7.5	1.1	5.3
OBC	19	26.7	8.2	20.3
General	50	52.7	88.8	65.2
Total	100	100	100	100

(Source : DTE, Admission Report.)

education in Mumbai. Thus, the quality higher education in Maharashtra is better and the cost is also cheaper .

4) Research in Universities :

The details of Ph.D students registered in selected states are given below :

Table : 4
Ph.D Registered scholars in 2013

Sr.No.	State	No. of Scholars in 2013
1	Andhra Pradesh	8212
2	Tamil Nadu	7995
3	Karnataka	7938
4	Delhi	7124
5	Uttar Pradesh	6312
6	Maharashtra	5385
7	Other States	34832
	Total	77798

Source : Mah.Times : 01.01.2014

Above table revealed that Maharashtra stands sixth state in case of number of Ph.D. scholars registered for Ph.D in all faculties in the Universities. Nearly one third of the Ph.D scholars registered in India are from south India. Thus, Maharashtra lags behind many states in case of Research activities in higher education.

Above table revealed that many OBC students were admitted on merit as a general category students. However, all other categories of students were not able to fill their quotas. In contrast general category students claimed 65.2 percent of all engineering seats. Owing to high fees in Engineering courses, most reserved category students did not opt for paid seats. Thus, growth in enrolment has achieved without inclusion of reserve category students.

6) Enrolment in Medical Colleges:

Table - 6

Enrolment in medical colleges (2007)

Category	Admission for free	Admission for paid	Total Admission
SC	14.5	21.0	15.5
ST	7.2	7.3	7.2
VJ/NT	12.5	17.8	13.2
OBC	23.5	24.8	23.7
General	42.3	29.1	40.3
Total	100	100.0	100.0

Source : EPW,feb.1/2014

Above table revealed that the percentage of enrolment of OBC students was higher at 23.7 percent in 2007, higher than their quota share of 19%. It clearly shows that large number of OBC students enrolled in general category. As a matter of fact, the proportion of students enrolled in all other reserved categories was slightly more than the percentage seats reserved for them. In addition an equal percentage of OBC students enrolled in Medicine in institute management quotas, known to be paid seats. Thus, medical education has become costly and available only for rich students.

Conclusions:

Gross enrolment in higher education in Maharashtra is 25.1 percent which is higher than India's average of 15 percent. However, Maharashtra has lowest investment in education as compared to India's average. There is higher enrolment for commerce faculty as compared to Arts and Science. Mumbai ranked 61st in case of quality of higher education in the world and 2nd in case of cheaper cost of higher

education in the world. Maharashtra stands 6th state in case of number of Ph.D scholars registered in 2013 in all the faculties in the universities.

Growth in enrolment in Engineering faculty has achieved without inclusion of reserve category students. Medical education has become costlier and available only to the rich students in Maharashtra.

7.Suggestions :

- (i) The quality of higher education can be improved by granting autonomy to each one of the colleges.:
- (ii) The expenditure on education needs to be increased.
- (iii) Infusion of FDI in Education will ensure Indian colleges average the technology, infrastructure and expensive of foreign schools like Harvard, Whatson, London Business School etc.
- (iv) The learning tool that has been making waves in educational circles is 'simulation' .Simulation should be a large part of the curriculum of a sound management accounting qualification.
- (v) Ensuring the availability of the right tools in the educational system will generate the most appropriate graduating class year on ear.

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Human Resource Management and Competency Development

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Globalization of business during the past decades has led to the development of large firms expanding their activities across countries and continents. One of the main issues facing the development of global firms has always been to find the right balance between the local autonomy of the subsidiaries and the control of the corporate headquarters (Bartlett and Ghoshal, 1989). One answer to what often appears as a dilemma has been the development of managerial frameworks used by these global firms to specify what are the expectations regarding their managers. Depending upon the degree of centralization, these expectations could be very different up to very identical across countries and cultures.

Competency-based human resource management became popular in the 90s, principally because it offered employers a new way of defining and assessing those hard-to-measure traits, or “soft skills”, that so often make the difference between superior performers and the rest of the crowd—for example, initiative, adaptability, drive for achievement, etc. Competencies also provided fundamental building blocks for ensuring that all of the “people” processes in the organization could be fully integrated. No longer would there be one set of criteria for selection, another set for performance management, and yet a third set for learning and development. “Competencies” were proclaimed as the one common set of standards to be used for all HR processes (Houtzagers, 1999). In the above context, the present paper highlights some issues on competency based human resource management.

Rising competition obliges companies to seek for innovative ways of doing business, increase effectiveness and efficiency of work, and

productivity. Information and Communication Technologies (ICT) help business achieve these aims whereas the pressure to keep on innovation grows. Human capital is a key source of innovation and competitive improvement. Thus, talent and learning appear to become essential business aspects of innovation and competitive advantage. Exploiting the potential of the human capital and boosting its value to the organization involves a systematic process to determine the key factors that concern the organization, and the individual. These factors are the competencies that are fundamental to achieve enhanced job performance (organizational factor), and conversely, the knowledge, skills, attitudes and behaviors compulsory for a person to carry out a particular job in an outstanding manner (individual factor).

HRM is the function within the organization that focus on recruitment of, management of, and providing directions for the people who work in the organization. HRM is the organizational function that deals with issues related to people, such as compensation, hiring, performance management, employee development, Safety, wellness, benefits, employee motivation, communication, administration and training.

Competency Model

Competency-based human resources approaches are grounded in the notion that competencies (i.e.: the knowledge, skills, abilities and personal attributes that a person brings to the job) are what drive performance. Competencies can be likened to a book. Only a small percentage of the information is visible and on the cover; the majority of the relevant information lies between the covers and can be complex to understand at times.

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Competencies predict effective performance, result in valid selection criteria, recognize the transferability of employees' skills and are flexible to meet the changing needs of future requirements. Furthermore, the competency model covers all aspects of what it takes to be successful in a job by examining not only knowledge and skills required but the personal attributes required as well. A competency can be defined as the personal attributes, skills and knowledge that are critical to being an effective, successful performer in a given job. The competency model is comprised of *personal attributes*, *skills* and *knowledge*.

1. **Personal attributes** are the underlying characteristics that are deep and enduring parts of an individual expressed most of the time. They are one's personal style or personal effectiveness such as feelings, attitudes, habits and traits.
2. **Skills** can be observed. They are acquired through practice and experience. Certain personal attributes and knowledge are required to support a skill in order for it to be effectively performed.
3. **Knowledge** is the baseline of information that allows a person to perform from an informed perspective. This information consists of theories, facts and principles. This information may be acquired through formal or informal learning and experiences.

HRM and its Implications for Performance Management

Performance management represents a holistic process that brings together all processes that effectively support and enlighten organizational goals, evaluate employee's performance and recognize employees credibly. Integrated performance management is an innovative process that provides both, a strategy and a process for building up human talent. It has to intertwine various aspects of business, and people management for both, individuals and teams.

Performance management concerns the establishment of a culture that allows individuals and groups to continuously advance business processes and their own competencies. Successful performance and talent management can improve the employee's self-confidence and overall productivity. It can assure quality management processes and lead to competitive advantages. It is evident that motivated and valued employees are essential to any company.

1. Competency Management

Competency management involves the measurement of and the judgment on the competencies of all employees, in order to determine proper career development plans according to the company's business objectives. It refers to all methods applied in an organization to

1. Systematically consider current competencies;
2. Identify gaps between job descriptions and those competencies;
3. Analyze learning gaps;
4. Determine important aspects for the development plan to achieve the future competencies necessary for the job tasks to be performed;
5. Detect redundancy;
6. Achieve awareness of available competencies for the preparation of new assignments, tasks and projects.

Thus, competency management appears to be related to HRM, and strategic management, on the one hand, and to assessment, on the other hand. While the strategic management addresses the identification of the human resources development strategy to continuously maximize the competitive advantage based on the company's unique culture, capabilities and business objectives, HRM is typically related to harmonizing the company's strategic objectives with the

development of the workforce. In order to track the human development, each organization needs to define and map a certain model that reflects the agreed HRM program for strategic areas

such as recruitment, skill gap analysis, career development plans, training efforts, self-organized learning, and learning management, self-assessment, mobility, etc.

Essential components that organizations should consider in the course of implementing a technology-based competency management system concern firstly the implementation of a successful strategic management scheme that addresses the definition of organizational goals, and the assurance that these goals are intertwined with individual goals. An analysis of available data to ensure the properness of those goals is required. Further, a systematic consideration of competency data for every employee is needed. These competency data may have various sources and may exist in different formats. Additionally, recruitment and hiring procedures, project management procedures, skill gap analysis, personal development plans, self-organized learning, and learning management in both, an enterprise context, and possibly an academic context, are in the focus of this process.

The implementation of technology-based competency management and assessment in the framework of performance support, training and adaptive web-based learning undoubtedly serves and supports personal development. Thus, for prosperous organizations, it is important to apply competency and skill development to ensure an accurate salary culture. Accordingly, employees in such organizations can experience the respect of the organization.

The key aspects of technology-based competency management involve:

1. The definition of long term personal development goals;
2. The definition of learning objectives to acquire competency;
3. The ability to record, map and keep track of competencies.

2. Learning Management

Despite great expectations, significant effort and even more extensive investment and expenditure, the use

of ICT for learning leading to knowledge development for learners and organizations remains problematic. Contemporary e-learning systems present some significant productivity and effectiveness advantages over traditional teaching and training methods. ICT appears to have the potential to individualize learning and to provide it independent of time and location, improving its quality and efficiency in many aspects such as exploration, communication, multiple representations, and multiple dimensions (time, space, distributed knowledge).

Currently, there are three primary sets of technologies that can provide an infrastructure framework for delivering the complete suite of e-learning services: Virtual Classroom, Learning Management System (LMS), and Learning Content Management System (LCMS). Commonly, these technologies support an interface to organization-internal user databases such as LDAP.

LCMS are regarded as a significant contemporary approach for virtual learning. These virtual learning spaces provide a means for the organization, administration and support of web-based teaching and learning processes that are potentially optimum in terms of location and time of individual learning. Their key advantage is resource management on a learning object approach (IEEE 1484.12.1, 2002) compared to LMS where the resource management is based on a course/module basis. The benefits of the learning object approach are seen as follows (Farance, 2000):

1. Repurposing: Content in learning object format can be more readily reused for different purposes and can be easily updated by replacing only outdated learning objects content rather than having to rebuild a new course.
2. Personalized learning: Customized learning can be produced to meet individual and specific needs.
3. Performance support capabilities: Learners are able to locate specific information they need from learning objects in the context of their work.
4. Distributed authoring: Subject matter experts can author new learning content directly.

Recently, there is a need to shift the emphasis on more cognitive and usability questions as e-learning systems provide static human computer interfaces (Klett, 2005). This trend requires a new analysis of information and knowledge treatment in order to facilitate creating an active learning situation and to support exploratory activities. The recent level of adaptation is limited usually to aspects of the user interfaces. In particular, contemporary systems:

1. do not satisfactorily explore and use multi-sensory input;
2. do not recognize and adapt to the emotional and physical state of the individual learner at various learning phases;
3. lack the direct contact between the learner and the tutor;
4. do not properly consider a trusted environment.

The scientific approach of future developments must be related to a broad interdisciplinary work driven by “learning pull” rather than “technology push”. A methodical and dynamic infrastructure that concerns a learning system as a personalized role-based place being in the same time configurable according to individual and institutional needs, and regulatory requirements, is still missing. Thus, high-level adaptation requirements are rising.

Within the wider vision of e-learning as a contribution to knowledge management or knowledge development - at all its different stages and in all its different forms - a common model for e-learning and e-knowledge architecture is required to allow the users obtain instant satisfaction and push the organization toward a forceful and comprehensive knowledge management system, in a step-wise approach.

3 Assessments and Quality Management

In general, competency management has a long successful story in the USA. Schippman et.al. (2000) summarize that “75-80% of responding companies have some competency-driven application in place”. However, web-based competency management is applied typically mainly toward web-based assessment.

Recently, integrated web-based assessments facilitate the processes of proper position filling and team building. Taking reliable decisions on selecting the right people at the right time for the right task can significantly affect the organizational change. Web-based assessment primarily requires:

1. High level of interaction, in order to map various question types such as open, semi-open and closed question types (multiple choice, ordering tasks, fill-in-the-blank tasks, etc.) onto the user interface;
2. Secure and controlled access to the content;
3. Reusability and interoperability of the content;
4. Tracking the learner, monitoring and processing his/her answers;
5. Assessing the results and generating statistical data.

Exchange and sharing of test items between assessment systems or databases is a vital element to reduce company’s costs and improve the interoperability between various organization-wide systems such as HRM, learning management, authoring, assessment, delivery systems, or test item banks, etc. Thus, the following elements of the web-based assessment appear to become crucial:

- a) the use of a uniform exchange format based on XML to facilitate the interoperability and allow for sharing of structured data across systems, and tracking the progress of the employees who take part in the assessment;
- b) The provision of feedback and hints to encourage and motivate these employees;
- c) The adaptation to the individual knowledge of the employees, which requires
- d) the availability of numerous test items attached to a particular subject to serve the comprehensive test of the employee’s knowledge.
- e) Metadata description of both, the test items, and the test compositions, to enable reusability, and interoperability between human resources management, learning management, authoring,

assessment, delivery systems, or test item banks.

4 The Identified Problems and Ongoing Standardization Efforts

Strategic and performance management systems are difficult to be implemented. The main concerns result from intellectual property issues, and control in the organization. Conversely, if such systems are implemented they undoubtedly serve and support personal development, although performance rating may cause opposition. Problems arise when components and user interfaces lead to a cognitive overload by the employees,

especially when there is a missing understanding of goals and how they can be achieved on both, the individual, and the organizational level (Klett, 2008).

The keys to the successful introduction and application of performance management are:

1. Clearly define the means of performance in the particular organization;
2. Clearly set the rules for performance management in the organization;
3. Strongly set a focus on the individual employee's development plan and his/her benefits from taking part in the organizational advance. Various problems arise when human resources related systems are not able to support interoperability of skills and competency data. According to (Hirata & Brown, 2008) typical problems concern:
 - a. Human resources information cannot be shared within different HRM platforms.
 - b. Human resources information cannot be used within human resources Development easily because it usually does not deal with detailed skills and competency information.
 - c. Individual status of ownership level and proficiency about skills and competency could not be dealt with in recent HRM systems.
 - d. Individual developmental paths cannot be dealt with in recent HRM systems.

- e. Individuals and organizations cannot design a career strategy and a career path on a common basis by using HRM systems.
- f. Skills and competency have to become interoperable entities.
- g. Assessment requires objectivity by the support of adequate systems.
- h. HRM systems cannot substitute human assessment for an everyday work performance.

Advantages of Competency-Based Human Resource Management

- Link individual competencies to organizational strategies.
- Develops competency profiles for deferent positions.
- Enable continual monitoring and refinement of competency profiles.
- Facilitates employee selection, evaluation, training & development.
- Helps to hire individuals with unique competencies that are difficult & costly to develop.
- Helps the organization in ranking competencies for compensation & performance.

Disadvantages of Competency-Based Human Resource Management

- Less valid & unreliable CBHRM model can result in negative outcomes.
- May develop less meaningful competencies in the organization without a clear vision of their goals & strategies.
- Expensive and time consuming.
- Reduce core organizational competencies as a result of poor employee buying in.
- It is difficult to differentiate between successful & unsuccessful employees.
- Require not only time and resources but competency facilitators also.

Conclusion

Quality management needs, skill and competency information technologies, standardized competency definitions and e-portfolios are in the scope of advanced technological development. Uptake of learning technology standards is increasing even if the existent standards are just starting to have their initial impact on institutions and on individual teaching faculty. Recently, various research and development projects deal with standards and their adoption. Unfortunately, currently most HRM stakeholders have a vague notion of the existence and utility of those technologies and standards.

However, standards make learning, training, performance and competency technologies interoperate in a global network. They contribute to factors such as portability and scalability of the systems. Thus, the potential for technology-based learning and training, and competency management will not remain just a vision.

Organizations that commit to talent management and learning, and decide to track, identify and process competencies and skills, can achieve transparency about the expectations of employees and managers. They can develop a common language in the case of distributed organizations to effectively communicate among multiple locations, and they can benefit from the adoption of consistent systems across the organization.

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Assessing Service Quality and Customer Satisfaction by Using SERVQUAL Model: An Empirical study of Organized Retail stores in Mumbai

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Abstract: *Service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the consumers' Perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important, since it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. The main purpose of this study theoretically is finding out how consumers (women's) perceive service quality and whether they are satisfied with Services offered by these stores in Mumbai. This study aims to identify the dimensions that organized retailers offers the customers. The study also tries exploring the factor that attracts the customers towards the organized retail sector in capital city of Maharashtra, (Mumbai). As organized retailers are seen as offering similar products in the outlets, improving service quality is seen as critical to ensure customer loyalty. The study tries to find interrelationship between various Retail Service Qualities dimensions, which will help the retailers to identify the steps needed to improve the overall quality of service.*

Keywords: *Retail Service Quality, Service Quality Dimension, Organized Retail*

Introduction:

Retailing in India is gradually inching its way to becoming the next boom market. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping. Modern retail has entered India as seen in sprawling shopping centers, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. Retail industry the largest sectors in India and second largest employment provider after agriculture (Zameer, 2011); it plays a significant role in increasing the productivity across a wide range of goods and services. In India both organized and unorganized retail sector exists, majority of the share being under unorganized. Organized retailing has finally emerged from the shadows of unorganized retailing and is contributing

significantly to the growth of Indian retail sector. Retail service quality is termed as the customer's overall impression and satisfaction of the relative inferiority or superiority of the organization of its services and which is more important to retail outlets.

The Development and Evolution of the SERVQUAL Model

“Parasuraman et al. (1985) identified 97 attributes which were found to have an impact on service quality. These 97 attributes were the criteria that are important in assessing customer's expectations and perceptions on delivered service” (Kumar et al., 2009, p.214). These attributes were categorized into ten dimensions (Parasuraman et al., 1985) and later subjected the proposed 97 item instruments for

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assessing service quality through two stages in order to purify the instruments and select those with significant influences (Parasuraman et al., 1988, p.13). The first purification stage came up with ten dimensions for assessing service quality which were; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, knowing, customers, and access. They went into the second purification stage and in this stage they concentrated on condensing scale dimensionality and reliability. They further reduced the ten dimensions to five which were;

Tangibility: physical facilities, equipment, and appearance of personnel

Reliability: ability to perform the promised service dependably and accurately

Responsiveness: willingness to help customers and provide prompt service

Assurance: knowledge and courtesy of employees and their ability to inspire trust and confidence

Empathy: caring individualized attention the firm provides to its customers .

Assurance and empathy involve some of the dimensions that have been done away with like communication, credibility, security, competence, courtesy, understanding/knowing customers and access. This is because these variables did not remain distinct after the two stages of scale purification, (Parasuraman et al., 1988, p.23). These original five dimensions are subject to 22 statements derived from Parasuraman et al, (1985, p.41-50).

Literature Review

The dual objective of the present study is to examine the interrelationship between various Retail Service Quality dimensions, which will help the retailers to identify the steps needed to improve the overall quality of service. Hence, the following studies pertaining to Retail Service Quality has been reviewed:

Big Bazaar being a organized retail managing a consistent quality across all the stores. The service

quality aspect also assumes importance as the core level is more or less similar for different stores with little scope for differentiation. In this sense, there are two main lines of thoughts on measuring service quality (Kang and James 2004): An American and European perspective.

Brady and Cronin (2001) suggest that the researchers generally adopt one of the two conceptualization in their work. The initial work in this area throws light on both the technical quality and the functional. While technical quality focuses on what is delivered in the service; the functional quality focuses on how the service is delivered.

Gronroos (1984) a Pioneer explained that the quality of a service as perceived by customers consists of three dimensions. Functional (the process of service delivery to customers), technical (the outcomes generated by the service to the customers), and image (how the customers view the company). This valuable contribution in service marketing literature highlighted that service quality can be measured; It is dependent upon two variables. The expected level of service and the perceived level of service.

Parasuraman et al. (1985) studied various services across different industries and identified 10 quality dimensions based on a series of focus group sessions. These 10 dimensions led to the development of now widely acclaimed SERVQUAL model also referred to a PZB model. SERVQUAL (Parasuraman et al, 1988) is a two part instrument for measuring service quality that was refined later (Parasuraman et al; 1991). Much of the research to date has focused on measuring service quality using this approach and its use has become quite widespread (Brown et al; 1993 and Kang and James, 2004) the instrument comprises of 22 items questionnaire which primarily measure dimensions namely Tangibles, Reliability, Assurance, Empathy and Responsiveness popularly referred to as RATER scale.

Ennew et al (1993) indicated that a comparison of mean scores on the importance of service attributes provides a very effective method of measuring service quality parameters.

Teas, (1993), developed the Evaluated Performance model which measures the gap between perceived performance and the ideal amount of a dimension of

service quality, rather than the customer's expectation. This was to solve some of the criticism of some previous models Gronroos, (1984); Parasuraman et al., (1985, 1988).

Dr.M.N.Malliswari (2007) in her study "Emerging trends & strategies in Indian retailing", she found that the customers are influenced by the west due to their exposure to media. The social networking sites and internet as a whole has changed the shopping pattern and behaviour of the customers.

Leen and Ramayah (2011) in their study on 'Validation of the RSQS in Apparel Specialty Stores' found that all the five dimensions: physical aspects, reliability, personal interaction, problem solving, and policy, are highly suited for measuring retail service quality in clothing stores. Retail service quality is furthermore associated with future consumption behavior in terms of the customers' intention to visit, purchase and recommend the stores to others.

Objectives of the Study

- 1) To understand the factors influencing the shoppers buying at the organized retail.
- 2) To study the customer perception on organized retailers.
- 3) To provide suggestions to improve the services provided by the organized retailers.

Research Methodology

Given the importance of the retail industry in India in terms of increasing market size and growing competition this study attempts to uncover service quality dimensions that are important to the customer in the retail service sector. And as can be seen from the foregoing review SERVQUAL was chosen because it was tested in a similar work conducted by zeithaml et al (1990). A descriptive research design was adopted for the study. The data is obtained from the consumer survey. The survey is carried out in Mumbai and a sample of 100 female respondents (Age group of 25 – 65) of Mumbai was used to access the Organized Retail customers.

The sample size is 100. The study was carried out in Mumbai city, it being a metropolitan city having a diverse mix of people. The responses were related by using 5 point Likert summated rating scale ("1 strongly dissatisfied to 5 strongly satisfied") This instrument validated by Parasuraman et al can be used to comprehend the desired service levels. The difference between adequate level of service and desired level of service is known as "Zone of tolerance". It shows that customers have varying expectations from the same service provider as well across firms in the same industry. The adequate level defines the minimum level acceptable to customers. Therefore separate ratings of expected and perceived have been obtained using the same structured format. This generates separate rating of expected and perceived attribute being measured. The calculation E-P is employed to assess the service quality Gap of a given dimension.

Hypothesis 1:

H0 There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Tangibles

H0 There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Tangibles

Hypothesis 2:

H0 There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Reliability

H0 There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Reliability

Hypothesis 3:

H0 There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Responsiveness

H0 There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Responsiveness

Hypothesis 4:

H₀ There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Assurance

H₀ There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Assurance

Hypothesis 5:

H₀ There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Empathy

H₀ There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Empathy

Data Analysis and Interpretation**TANGIBLES (TABLE.1)**

BIG BAZAAR								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	TANGIBLES							
1	The ambience of the store is excellent	E1	P1	3.4	3.94	0.54	0.019057	Rejected
2	The store has proper parking facilities	E2	P2	4.06	3.82	-0.2		
3	The location of the store is very convenient	E3	P3	3.78	4.04	0.26		
4	The layout of the store is very convenient	E4	P4	3.6	3.96	0.36		
5	The facilities provided by the store is very good	E5	P5	3.6	4.24	0.64		
6	The store has proper arrangement for check outs even in peak time	E6	P6	3.7	4.06	0.36		
7	The store is neat and clean	E7	P7	3.44	3.98	0.54		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is rejected for Tangibles in Big Bazaar. Hence there is a significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Tangibles.

(TABLE.2)

HYPERCITY								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled Tested	Null Hypothesis accepted or rejected
	TANGIBLES							
1	The ambience of the store is excellent			4.12	4.1	-0.02	0.0573	Accepted
2	The store has proper parking facilities	E2	P2	4.16	4.14	-0.02		
3	The location of the store is very convenient	E3	P3	3.88	4.04	0.16		
4	The layout of the store is very convenient	E4	P4	4.04	4.3	0.26		
5	The facilities provided by the store is very good	E5	P5	4.14	4.24	0.1		
6	The store has proper arrangement for check outs even in peak time	E6	P6	3.68	4.36	0.68		
7	The store is neat and clean	E7	P7	3.88	4.28	0.4		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis of Hyper City for tangible the Null Hypothesis is accepted. Hence there is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Tangibles

RELIABILITY (TABLE.3)

BIG BAZAAR								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	RELIABILITY							
8	Store facility provide adequate assurance of availability on my purchases	E8	P8	3.28	3.8	0.52	0.044	Rejected
9	Quality of in-house brands are excellent	E9	P9	3.26	3.64	0.38		
10	Home delivery service is very efficient	E10	P10	2.56	4.04	1.48		
11	Implementation of the loyalty schemes are up to the mark	E11	P11	3.1	3.66	0.56		
12	The store handle the grievances very effectively	E12	P12	3.12	3.92	0.8		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is rejected reliability of Big Bazaar. Hence there is a significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Reliability

(TABLE.4)

HYPERCITY								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	RELIABILITY							
8	Store facility provide adequate assurance of availability on my purchases	E8	P8	3.26	3.78	0.52	0.0328	Rejected
9	Quality of in-house brands are excellent	E9	P9	3.68	4	0.32		
10	Home delivery service is very efficient	E10	P10	3	4.12	1.12		
11	Implementation of the loyalty schemes are up to the mark	E11	P11	3.26	3.96	0.64		
12	The store handle the grievances very effectively	E12	P12	3.48	3.98	0.5		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is rejected in reliability of Hyper City. Hence there is a significant difference between perceived service quality and expected service quality of Hyper city in terms of Reliability.

RESPONSIVENESS (TABLE.5)

BIG BAZAAR								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	RESPONSIVENESS							
13	The staff of the store is always willing to help me	E8	P8	3.16	4.02	0.86	0.001125	Rejected
14	I do not have to wait for long for payment	E9	P9	2.56	3.88	1.32		
15	The staff of the store answers my all query very patiently	E10	P10	2.96	4.18	1.22		
16	The store has a separate customer care team to provide the quick response to the customer	E11	P11	2.56	3.74	1.18		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is rejected in responsiveness of Big Bazaar. Hence there is a significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Responsiveness

(TABLE.6)

HYPERCITY								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	RESPONSIVENESS							
13	The staff of the store is always willing to help me	E13	P13	3.76	4.04	0.28	0.0711	Accepted
14	I do not have to wait for long for payment	E14	P14	3	3.92	0.92		
15	The staff of the store answers my all query very patiently	E15	P15	3.76	4.1	0.34		
16	The store has a separate customer care team to provide the quick response to the customer	E16	P16	2.86	3.9	1.04		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is accepted in responsiveness of Hyper City. Hence there is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Responsiveness

ASSURANCE (TABLE.7)

BIG BAZAAR								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	ASSURANCE							
17	I feel assured buying store brands	E17	P17	3.16	3.94	0.78	0.063	Accepted
18	Staff at the store are knowledgeable and courteous	E18	P18	3.34	3.98	0.64		
19	Store prices are competitive across products	E19	P19	3.4	4.18	0.78		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is accepted in assurance of Big Bazaar. Hence there is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Assurance.

(TABLE.8)

HYPERCITY								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	ASSURANCE							
17	I feel assured buying store brands	E17	P17	3.7	4.14	0.44	0.2191	Accepted
18	Staff at the store are knowledgeable and courteous	E18	P18	3.8	4.14	0.34		
19	Store prices are competitive across products	E19	P19	3.5	4.22	0.72		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is accepted in assurance of Hyper City. Hence there is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Assurance

EMPATHY (TABLE.9)

BIG BAZAAR								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	EMPATHY							
20	The staff of the store understand my problem and need	E20	P20	3.12	4.04	0.92	0.179	Accepted
21	The staff gives me individual attention	E21	P21	2.44	3.78	1.34		
22	The operating hours of the store are convenient to me	E22	P22	3.32	4.06	0.74		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is accepted in empathy of Big Bazaar. Hence there is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Empathy.

(TABLE.10)

HYPERCITY								
SR. No.	DIMENTION	E	P	MEAN P	MEAN E	GAP (E-P)	SIG-2 Talled	Null Hypothesis accepted or rejected
	EMPATHY							
20	The staff of the store understand my problem and need	E20	P20	3.4	4.26	0.86	0.2993	Accepted
21	The staff gives me individual attention	E21	P21	2.74	3.66	0.92		
22	The operating hours of the store are convenient to me	E22	P22	3.8	4.1	0.3		

As shown in the above table Sig-2 tailed i.e. (P (T<=t) two-tail) is less than 0.05 that is standard form therefore null hypothesis is accepted in empathy of Hyper City. Hence there is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Empathy

FINDINGS OF THE STUDY

From analysis of the different variables of the various dimensions of Retail Service Quality it was found that:

- There is a significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Tangibles
- There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Tangibles
- There is a significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Reliability
- There is a significant difference between perceived service quality and expected service quality of Hyper city in terms of Reliability
- There is a significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Responsiveness
- There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Responsiveness
- There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Assurance
- There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Assurance
- There is no significant difference between perceived service quality and expected service quality of Big Bazaar in terms of Empathy
- There is no significant difference between perceived service quality and expected service quality of Hyper city in terms of Empathy

Conclusion

The customer perception of retail service quality is an important segment to the emerging and the existing

retailers in the market. As the study reveals that perception of service quality is influenced by the various natures among various customers. Big Bazaar is not focusing equal on all the dimensions. Whereas hyper city is focusing well on all the dimensions than Big Bazaar. Big bazaar need improvement in their strategy for Tangibles, Reliability and Responsiveness dimensions. Though Customers are satisfied with Assurance and Empathy dimensions in Big bazaar, they have to retain this for longer. Hyper city need to improve their strategies for quality of in-house brands, home delivery service and assurance of availability of products in the store. So the retail outlets have to frame their own strategies in order to attract the customers on a longer basis.

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Impact of Privatization on The Performance of Public Sector Enterprises

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ABSTRACT

The privatization of public sector enterprises based on the free market economic theories, the governments roll back and occupy the minimum possible space and allow the market forces to decide all economic decisions. In India, a stage was reached when questions were raised about the relevance and the need to continue the planned development strategy. Therefore an attempt has been made in the present study to measure, identify and assess the impact of privatization on the performance of public sector enterprises for the period of 2003-2012 (i.e. ten years) based on the secondary data. Secondary data of 260 public sector enterprises is analyzed on the basis of net sales, operating profit, net profit, operating profit margin, net profit margin, return on capital employed, return on networth, employment generation, research and development expenditure, contribution to taxes and dividends, and export earnings by using mean, standard deviation (SD), coefficient of variation (CV), compound annual growth rate (CAGR) etc. as statistical tools and techniques.

The study observes that out of 11 variables, 6 variables shows positive impact and 5 variables shows negative impact of privatization on performance of central public sector enterprises. As majority variables (54.54 percent) shows positive impact. This study shows privatization has positive impact on performance of central public sector enterprises. The study concluded that impact of privatization on performance of central public sector enterprises during 2003-2012 is positive. In other words, privatization of CPSEs increased competency and management skill, which indicates CPSEs firmly performing and competing with private sector. Hence performance is improved in central public sector enterprises.

INTRODUCTION:

The privatization of public sector enterprises has characterized economic policy worldwide for more than 30 years. Based on the free market economic theories, the removal of the economy from government influence and the opening up of former monopoly markets is the main agenda of the economic policy of many governments. Free market theory advocate that the government should roll back and occupy the minimum possible space and allow the market forces instead of the arbitrary decisions undertaken by bureaucrats and politicians to decide all economic decisions. In India, after pursuance of planned development for nearly half a century, a stage was reached when questions were raised about the relevance and the need to continue the planned development strategy. Therefore an attempt has been made in the present study to

measure, identify and assess the impact of privatisation on the performance of public sector enterprises for the period of 2003-2012 (i.e. ten years) based on the secondary data.

2. Review of literature:

Angelucci, Estrin, Konings and Zolkiewski (1) analyze the effect of ownership and competition on firm performance measured by Total Factor Productivity in three transition economies for the years 1994-1998. They concluded that there are complementarities between competitive pressure and ownership in promoting superior firm performance.

Bertero and Rondi (2) employ a sample of 150 Italian manufacturing public enterprises. They concluded that when hard budget constraints can be credibly imposed on public enterprises, they do

promote greater efficiency even in the absence of ownership changes.

Bhaskar and Khan (3) in their study find that privatization has reduced employments significantly while the reduction in output is not statistically significant.

Bhattacharyya, Lovell and Sahay (4) examined the impact of liberalization on the productive efficiency of Indian commercial banks and find that public owned Indian bank have been the most efficient, followed by foreign-owned banks and private owned Indian banks.

Boubakri and Cosset (5) in their study examines the change in financial and operating performance of 79 companies from 21 developing countries and find that there were significantly increases in profitability, operating efficiency, capital investment spending, output, total employment and dividends.

Gupta (6) in his study on partial privatization and firm performance shows that partial privatization has a positive impact on profitability, productivity and investment.

Kikeri and Nellis (7) think that privatization's benefits coincide with increasing dissatisfaction and opposition among citizens and policymakers. They point out that in competitive sectors privatization has been a resounding success in improving firm performance. Therefore despite the growing concerns privatization should be neither abandoned nor reversed.

Megginson (8) shows that state owned banks are less efficient than privately owned banks and privatization alone transforms the efficiency of divested banks, especially when these are only partially privatized. Privatization generally improves performance, but by far less than is typically observed in studies of non-financial industries.

Mittal and Ashraf (9) analyze the competition, privatization and reforms in Indian telecom industry. They point out that economic reform, the process of privatization and the need for a competitive environment seems to be necessary for the growth of the industry.

Pinto, Belka and Krajewski (10) evaluates the way in which the Polish state sector responded in the three years following Poland's reforms in 1990. They find significant performance improvement on the part of most manufacturing firms and these improvement

were due to the imposition of hard budget constraints reinforced by tighter bank lending behaviour, import competition and reputational concerns by public enterprises managers.

Subramanian (11) in his study on impact of deregulation on a state-owned telecommunications equipment manufacturer ITI find that the government's market-oriented reform programme ended up creating anything but a level-playing field for public enterprises. The government has eliminated ITI's monopoly privileges and imposing new market-related constraints but has not given the autonomy to compete in the free market.

Wood and Kodwani (12) in their study examine the lessons of the British privatization programme for India. Privatization of British Electricity Supply Industry was preceded by radical changes in the industry structure and restructuring of the firms in the industry and was accompanied by a tight regulatory framework intended to promote efficiency and competition

3. Objectives of the study:

The impact of privatization on performance of public sector enterprises is measure, identified, studied and assessed for 2003-2012 period. It means the main objectives of this chapter are as under:

1. To measure, identify and assess the overall impact of privatisation on performance of public sector enterprises during 2003-2012.
2. To assess the trend of performance of public sector enterprises.

4. Research Methodology:

A descriptive and analytical method has followed for conducting the study. Secondary data was used for the study. Secondary data of 260 public sector enterprises is analyzed in the study with the help of statistical tools like Mean, Standard deviation, coefficient of variation (CV), and Compound annual growth rate (CAGR). The impact of privatization on performance of public sector enterprises was studied on the basis of net sales, operating profit, net profit, operating profit margin, net profit margin, return on capital employed, return on networth, employment generation, research and development expenditure, contribution to taxes and dividends, and export earnings etc by using mean, standard deviation (SD), coefficient of variation (CV), compound

annual growth rate(CAGR) etc. as statistical tools and techniques.

5. Data analysis:

The analysis of impact of privatisation on performance of public sector enterprises using 11 variables is as under. The analysis of data is shown in table 1 and table 2. For analysis purpose data is divided into profitability and miscellaneous variables.

1. Net Sales of Public Sector Enterprises:

The sales growth is significant indicator to find the impact of privatisation on the public sector enterprises. As the level of sales volume or value increases, the performance level or growth of public sector enterprises increases or moved upwards. This indicates level or extent of impact.

The net sales of public sector enterprises has increased from Rs.548912 crores in 2002-03

to Rs.1824627 crores in 2011-12, showing a growth of 13.69 percent over 2002-03 year; indicates substantial increase. The growth of net sales is significant and positive at 1 per cent level of significance.

2. Operating profit margin of Public Sector Enterprises:

Higher the operating profit signifies that company is efficient and effective in using the resources and positive impact of privatisation in CPSEs. The operating profit of central public sector enterprises has increased from Rs.72539 crores in 2002-03 to Rs.189756 crores in 2011-12 showing a growth of 9.87 per cent during 2003-2012. Thus it is inferred that impact of privatisation on operating profit of public sector enterprises is positive and significant at 1 percent level of significance during 2003-12.

Table 1: Impact of privatisation on profitability of CPSEs

Year	Net Sales	Operating Profit	Net Profit	OPM	NPM
	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)		
2002-03	548912	72539	32344	13.22	5.89
2003-04	613706	95039	52943	15.49	8.63
2004-05	734944	108420	64963	14.75	8.84
2005-06	829873	114422	69536	13.79	8.38
2006-07	970356	139008	81055	14.33	8.35
2007-08	1102772	152579	81274	13.84	7.37
2008-09	1309639	142395	83867	10.87	6.4
2009-10	1272219	160017	92203	12.58	7.25
2010-11	1470569	162409	92128	11.04	6.26
2011-12	1824627	189756	97513	10.4	5.34
Average	1067762	133658	74783	13.03	7.27
SD	406728	35536	20240	1.75	1.25
CV	38.09	26.59	27.07	13.47	17.23
CAGR	13.69	9.58	10.27	-3.62	-3.02
Estimated t-value	22.49	8.87	5.3	-3.82	-1.73

Source: Public enterprises survey 2003-2012 and indiastat database

3. Net Profit of Public Sector Enterprises:

The public sector enterprises' net profit is income for the government as the owner of public sector enterprises. The Net profit of public sector enterprises increased from Rs.32344 crores in 2002-03 to Rs.97513 crores in 2011-12. The average net profit of public sector enterprises was Rs.74783 crores having variability of 27.07. The

net profit of public sector enterprises is increased by 10.27 percent of CAGR. Thus it is concluded from the above analysis that impact of privatisation on net profit of public sector enterprises is positive and significant during 2003-2012 period i.e liberalised or privatised era).

4. Operating profit margin (OPM) of Public Sector Enterprises:

Higher the OPM, better the performance and higher or positive impact. The operating profit margin of public sector enterprises has decreased from 13.22 percent in 2002-03 to 10.4 percent. The compound average growth rate of -3.62 percent for operating profit margin of public sector enterprises were negative and significant. The pre-privatisation era, where most of the public sector enterprises having monopoly or dominant market share is logical for higher operating profit margin. This negative growth in operating profit margin shows that public sector enterprises facing stiff competition from the private sector companies.

5. Net profit margin (NPM) of Public Sector Enterprises:

The net profit margin indicates the profitability of the public sector enterprises and is used to measure the performance of the CPSEs. The Net profit margin of public sector enterprises peaked to a high of 8.84 percent in 2004-05 from 5.89 percent in the base year (2002-03) to settle at 5.34 percent in 2011-12. The annual average growth rate for net profit margin of public sector enterprises is -3.02 per cent. This shows that impact of privatisation on net profit

margin of public sector enterprises is lower and significant during 2003-2012.

6. Return on Capital Employed of Public Sector Enterprises:

The Return on capital employed in public sector enterprises has reached a high of 21.49 per cent in 2004-05 from the 17.39 per cent in base year before settling at 14.29 in 2011-12. ROCE has shown a negative growth of -3.46 per cent which is significant at 1 per cent level of significance.

7. Return on networth of Public Sector Enterprises:

The Return on networth has increased on an average 15.58 per cent during 2003-2012 period and it peaked to a high of 19.02 percent in 2004-05 from 13.37 percent in the base year to settle at 12.72 percent in 2011-12. The compound annual average growth rate of -2.99 percent was negative and significant at 5 % level of significance. Thus it is inferred from the above analysis that impact of privatisation on Return on Networth of public sector enterprises is negative and significant at 5 percent level of significance during last 10 years.

Table 2 : Impact of privatization on miscellaneous variables of CPSEs

Year	ROCE	RONW	No. of Employees	R&D Cost	Contribution to Central Exchequer	Exports
			(in Lakh)	(Rs. Cr.)	(in Rs. Crores)	(in Rs. Crores)
2002-03	17.39	13.37	18.66	879	81926	26296
2003-04	21.01	18.14	17.62	1017	89035	34894
2004-05	21.49	19.02	17	1007	110599	42250
2005-06	19.54	17.5	16.49	2096	125455	45954
2006-07	21.02	17.85	16.14	1222	147728	70906
2007-08	21.07	15.68	15.66	1922	165993	74283
2008-09	17.97	14.38	15.35	2339	151543	74184
2009-10	17.62	14.12	14.91	2919	139830	84224
2010-11	14.07	12.98	14.4	3403	156751	91774
2011-12	14.29	12.72	13.98	3699	160801	124492
Average	18.55	15.58	16.02	2050	132966	66926
SD	2.77	2.37	1.47	1034	30061	29961
CV	14.92	15.23	9.15	50.42	22.61	44.77
CAGR	-3.46	-2.99	-2.93	18.13	7.47	16.85
Estimated t-value	-2.61	-2.14	-25.43	7.95	4.93	11.87

Source: Public enterprises survey 2003-2012 and indiastat database

8. Employment generation of Public Sector Enterprises:

The employment generation is the main motto of the public sector enterprises. But post economic reforms in 1991, the competition in various sector has forced the public sector enterprises to reduce the cost and improve the performance to sustain in the market. Therefore trend in employment of central public sector enterprises is useful in determining the impact of privatisation.

Total number of employees in the central public sector enterprises was 18.66 lakhs in 2002-03, which was gradually decreased to 13.98 lakhs in 2011-12 showing a negative growth of 24.08 percent over 2002-03 in 2011-12. The average employment strength in public sector enterprises is 16.02 Lakhs employee. The growth in employment generation is negative and significant at 5 percent level of significance.

9. Research and Development expenditure in Public Sector Enterprises:-

Today's competitive and challenging business environment demands continuous up-gradation and development of products, processes and services for sustained growth. Research and Development (R&D) contribute substantially towards achieving these goals. R&D also enables an enterprise to phase out products considering the short product life cycle of various products, by introducing new designs, technologies, products and services.

The expenditure on Research and Development in public sector enterprises has increased from Rs. 879 crores in 2002-03 to Rs. 3699 crores in 2011-12 showing a growth of 18.13 percent over 2003-2012 period. The growth in expenditure in R&D is positive and significant at 1 percent level of significance. Thus it is concluded that impact of privatisation on expenditure on research and development in public sector enterprises is positive and significant during 2002-03 to 2011-12 period.

10. Contribution to taxes and dividends in public sector enterprises:-

There are various kinds of tax imposed by government. Public sector enterprises are also paying various taxes like excise duty, customs duty, corporate tax, sales tax and dividend tax etc. Besides that public sector enterprises also contribute to central exchequer by way of dividend and interest.

The contribution to central exchequer by public sector enterprises has increased from Rs. 81926 crores in 2002-03 to Rs. 160801 crores in 2011-12 showing a growth of 7.47 percent over 2003-2012 period. The growth in contribution to taxes and dividends is positive and significant at 1 per cent significance level. The average contribution to tax and dividends by public sector enterprises was Rs. 132966 crores which is considerably higher than the contribution of Rs. 81926 crores in 2002-03. Thus there is positive and significant impact of privatisation on contribution to taxes and dividends in public sector enterprises during 2003-2012 period.

11. Export earnings of Public Sector Enterprises:

The profitability is ultimate objective in doing business. But for government, apart from profitability various economic and non economic objectives are also there to run the business. One of the main purposes of government to promote public sector enterprises is to produce import substitute good and services and also to generate foreign exchange. Analyzing the foreign exchange earnings of public sector enterprises help in understanding the impact of privatization on public sector enterprises.

The export earnings of public sector enterprises is increased from Rs. 26296 crores in 2002-03 to Rs. 124492 crores in 2011-12 showing a positive growth of 16.85 percent over 2003-2012 period. The growth in export earnings is positive and significant at 1 per cent level of significance. The average export earnings in public sector enterprises were Rs. 66925 crores way higher than the export earnings in 2002-03. The trend in export earnings is positive and upwards.

Thus there is positive and significant impact of privatisation on export earning of public sector enterprises during 2003-2012 period.

6. Conclusion:

Overall impact of privatization on performance of central public sector enterprises is measured based on 11 variables. The compound growth rate and t-value is taken as statistical tool to measure impact. Positive CAGR and t-value is considered positive impact and negative CAGR and t-value is treated as negative impact of privatization on performance of central public sector enterprises. A result for 11 variables is presented in Table 3.

Sr. No.	Variable	CAGR	Estimated t-value	Positive / Negative impact
1	Net sales	13.69	22.49	+
2	Operating profit	9.58	8.87	+
3	Net profit	10.27	5.3	+
4	Operating profit margin	-3.62	-3.82	-
5	Net profit margin	-3.02	-1.73	-
6	Return on capital employed	-3.46	-2.61	-
7	Return on networth	-2.99	-2.14	-
8	Employment generation	-2.93	-25.43	-
9	Contribution to tax and dividend	7.47	4.93	+
10	R& D expenditure	18.13	7.95	+
11	Export earnings	16.85	11.87	+

Out of 11 variables, 6 variables shows positive impact and 5 variables shows negative impact of privatization on performance of central public sector enterprises. As majority variables (54.54 percent) shows positive impact. This study shows privatization has positive impact on performance of central public sector enterprises.

CAGR of 6 variables is positive and CAGR of 5 variables is negative. Positive CAGR is seen in net sales (13.69 percent), operating profit (9.58 percent), net profit (10.27 percent), contribution to tax and dividend (7.47 percent), R& D expenditure (18.13 percent) and export earnings (16.85 percent).

CAGR varies maximum and minimum to the extent of 18.13 percent in R& D expenditure and 7.47 percent in contribution to taxes and dividends. It indicates highest and lowest positive impact of privatization in on R& D expenditure and contribution to taxes and dividends.

The negative CAGR is found in employment generation (-2.93 percent), operating profit margin (-3.62 percent), net profit margin (-3.02 percent), return on capital employed ((-3.46 percent) and return on networth (-2.99 percent). Here also performance is declined in 2011-12 as compared to 2002-03 but is not become negative. Therefore ratio shows negative impact.

Thus it is concluded that impact of privatization on performance of central public sector enterprises during 2003-2012 is positive. In other words,

privatization of CPSEs has increased competency and management skill, which indicates CPSEs firmly performing and competing with private sector. Hence performance is improved in central public sector enterprises.

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STRATEGIES FOR INCLUSIVE GROWTH IN INDIA

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ABSTRACT

The Eleventh Plan aimed at delivering faster and more inclusive growth. It is difficult to assess inclusiveness than performance on growth. Inclusiveness is a multidimensional concept and the data on inclusiveness are available only after a lag. The impact of inclusiveness is not immediately visible. Inclusiveness instantaneously include progress in delivery of essential services such as education, health, clean drinking water and sanitation. These services, especially education and health are basic to capacity building freedom of any democratic society. The growing commercialization of education and health certainly has excluded many poor and disposed them from main stream of growth. Inclusiveness is not an integrating act but a strategy of participation in the social production (growth) process and settlement of claims on the product on a fair basis. An effort has been made in this paper to understand the concept of inclusive growth and study how suffering India will keep growing unless strong systematic reforms are initiated for promoting a sustainable inclusive growth plan.

Key Words: Inclusive growth, substantiality, Growth strategy, G.D.P.

INTRODUCTION

The term inclusive growth is used in a large number of emerging and developing countries in the context of the neo – liberal policy framework. Empirical evidence from most of the countries indicates that the neo – liberal policies have not been successful in including the excluded in the main stream development process. The concept of inclusive growth is an ideal term for debate because of the policy challenges it raises. The term is constantly used in the speeches of the leading public persons of the country. The concept is left delightfully vague. In terms of policy contents it is certainly not a focal variable. The UPA'S commitment to inclusiveness is a façade that attracts aam aadmi but obscures the ugly reality. The Govt. has failed to fulfill the common minimum agenda on inclusiveness. Its claim to have raised substantially the aggregate tax - gross domestic product ratio does not stand the test of scrutiny. The credit needs of small farmers and SMEs remained unfulfilled. The move to extend social audit to plug the loopholes in the rural employment

guarantee program has been scuttled. As for social sectors like education, health and employment, the combined outlays by the center and states have remained sticky of 6 to 8 percent of the GDP from mid-1980. Fulfillment of the CMP agenda on inclusiveness would require a manifold increase in such outlays that is hardly feasible for a neo – liberal government.

INCLUSIVE GROWTH:

The term inclusive is comprehensive and includes all extremes and not excluding duly section of the society. Thus, inclusive growth should benefit all sections of the society. This term is used in large number of emerging and developing countries at present in the context of the neo – liberal policy framework, which is expected to be delivered inclusive growth.

The United Nations Development Program (UNDP) has defined inclusive growth as “the process and the outcome where all groups of people have

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participated in the organization of growth and have benefited equitably from it. Thus, inclusive growth should include all sections as beneficiaries as well as partners in growth and that inclusion of the excluded should be embedded in the growth process.

The Asian Development Bank has defined inclusive growth as “growth is inclusive when it allows all members of the society to participate in and contribute to the growth process on an equal basis regardless of their individual circumstances. Equality is a universally acquired value and is generally affirmed as a basic human right. However, this definition is positive but does not indicate the structure and pattern of growth and rules out a distribution strategy.

Besely Timothy has defined inclusive growth as the “growth that has an elasticity of poverty reduction”. Inclusive growth is growth that reduces disparities among per capita incomes in agriculture in rural and urban areas, and in different socio – economic groups. It is also defined in terms of reduction in inequalities in incomes assets as well as in vertical and horizontal inequalities

Economic growth is a precondition for inclusive growth. Thus, growth has to include the poor and socio – economic groups. Inclusion needs to be embedded in the growth process and not as an afterthought.

The growth process has to address the constraints of the excluded and the marginalized and has open up opportunities for them to be partners in growth. It is expected to reduce poverty faster in the sense that it has to have a higher elasticity of poverty reduction. It has to ensure access of people to basic infrastructure services such as health and education. This access should include not only the quantity but, also quality of these basic services. After all, inclusive growth should reduce vertical as well as horizontal inequalities in income and assets.

REVIEW OF LITERATURE:

The literature relating to the topic is reviewed as under:

1. Oommen M.A “On the issue of inclusive growth” published in Economic and Political weekly, July, 16-22, 2011 Page 158 – 159 concluded that the indifferent way in which inclusive growth is

handled in India is probably because they could get away with it.

2. Hirway India “inclusive growth under a neo-liberal policy framework” published in Economic and Political weekly. May, 19, 2012 (Page 64 – 72) concluded that the theory underlying the neo –

Liberal policy framework is too weak to ensure inclusion of the excluded. It will be useful if developing and emerging countries take a fresh look at the theoretical basis of their policy framework and modify it suitably.

3. Chandra Nirmal Kumar “Inclusive growth in Neoliberal India: A Façade? Published in Economic and Political weekly, Feb.- 20-26, 2010, (Page 43-55) concluded that the UPA’S commitment to inclusiveness is a façade that attracts the aam admi but observes the ugly reality – India is on track to become another oligarchy like Post – Soviet Russia.

4. Mathur Ajeet .N in his article ‘search for inclusive growth’ published in Economic and Political weekly March, 3, 2012 (P.66) concluded that the way forward is to continue with authorized Elected representatives at the gross – root and facilitate capacity building further so that they are able to use the resources available without leakages for their well – being in accordance with their priorities.

5. Tiwari Nupur, in his article “how inclusive are Panchayati Raj Institutions? Published in Economic and Political weekly April, 9, 2011 (Page 135) concluded that the task of empowering local governments and getting them to function well is a constantly evolving one. Periodic introspection is necessary and strategies need to be evaluated reviewed and transformed while new ideas need to be debated.

OBJECTIVES OF THE STUDY:

The following are the objectives of the study:

- To understand the concept of inclusive growth.
- To study the growth models used for determination growth.
- To study the inclusive growth with respect to inequality and health of the people.

- To study the strategies used by India to achieve inclusive growth.
- To suggest measures to achieve inclusive growth in India.

RESEARCH METHODOLOGY

The study is descriptive and analytical. It is based on secondary data which were collected from books, periodicals, newspapers, reports and websites. The data collected were tabulated, analyzed and interpreted for drawing conclusions. A few suggestions are made at the end to achieve inclusive growth.

ANALYSIS AND DISCUSSION

The data were tabulated and analyzed as follows

(i) Five year plan growth :

The five year plan growth is lower than the target. The growth rate was higher than the target in Ist, 5th, 6th and 7th plan while in case of other plans it was lower than the target. The average targeted growth was 5.52% while the actual growth rate was 5.25 percent, which was lower. The target allocation for 12th plan is given below:

Table – 1

Sector-wise allocation for 12th plan

Sector	XI Plan Rs. Cr.	XIIth . Plan Rs. Cr.	% In- crease
Agriculture Allied	116554	284030	144
Rural Development	397524	673034	69
Scientific Development	58690	142167	142
Transport & Energy	204076	448736	120
Education	177538	453728	156
Healthcare	112646	408521	263
Urban Development	63465	164078	158
Other	458849	994333	117

Source: Planning Commission

The above table reveals that Govt. has increased allocations in every sector in the 12th plan. The highest increase is in Health Care Sector followed by Education and Urban development. The least increase is in the rural development sector followed by transport and agriculture. Thus the growth Strategy of the government is inclusive. However, there is a doubt whether this money,

Would reach the beneficiaries as in case of past. The Government has already decided to transfer direct cash to the beneficiaries account. Seven schemes covering few subsidies will benefit around two lakh people in the country from January 1, 2013.

(ii) EDUCATION

India has made significant progress on elementary education and in moving towards universal enrolment during the Eleventh Plan period. Enrolment of girls in primary and upper primary schools is given below:

TABLE -2

Enrolment in Education

Year	% of Girls		Gender Parity Index	
	Primary %	Upper Primary%	Primary %	Upper Primary
2005 - 6	47.79	45.80	0.92	0.84
2009 - 10	48.46	48.12	0.94	0.93

Enrolment of SC./STS in Primary and Upper Primary schools in 2009 – 10 is given below:

Category	Proportion in Population %	Primary %	Upper %	Elementary Primary
SC	16.2	19.34	11.26	19.06
ST	8.2	18.42	9.41	10.70

Source: NCERT, two rounds of National Learner's Achievement Survey.

The above table reveals that enrolment in Primary and Upper Primary Schools has become more inclusive, with the proportion of girls and SC/STs having gone up between 2005 – 06 and 2009 – 10. However, the survey finds that student performance is declining as they progress to higher classes. The problem with Primary education in India is that several states still lag far behind in meeting Right to Education norms in critical areas such as number of schools, provision of drinking water and toilet facilities and the number of Teachers.

More than a year after the passage of the Right to Education Act, the government's allocation for education has increased substantially but expenditure has not kept up.

TABLE – 3
Allocation of funds for Education

Education	2005 – 06 (Rs. Cr.)	2011 – 12 (Rs. Cr.)
Elementary	12244	32150
Secondary	1723	8692
Higher (University)	2363	12435
Technical	1478	8352
Others	528	1734

The detailed allocation of funds is as follows:

Particulars	2008-9	2009-10	2010-11	2011-12
Teachers	38	45	40	44
Schools	39	32	36	36
Children	13	11	14	10
Others	10	11	10	10

Source: Centre for Policy Research, Delhi

The above table reveals that these allocations have not resulted in improved learning outcomes. The Sarva Shiksha Abhiyan (SSA) is the government's flagship program to universalize Primary education and increase literacy rates. At 44%, the largest portion of the SSA is being allocated for teachers on salaries, inputs such as teaching learning material and training followed by school infrastructure. In contrast, only 10% is being allocated for children's entitlements which include uniforms, text books and mainstreaming out – of – school children.

(iii) GENDER INEQUALITY INDEX :

India's gender inequality index for 2011 is given below:

	Male	Female
Population with at (%) Least Secondary Education	50.4	26.6
Labour force Participation Rate (%)	81.1	32.8
Female seats in Parliament %	-	10.7
Maternal, mortality Ratio (Number of maternal deaths per lakh live births)		230
Adolescent Fertility Rate (Number of births per 1000 women aged 15 – 19)		86.3

Source: Human Development Report: 2011

Above table reveals that, India fares better than its neighbors on most counts. However, female labour force participation rate is lower than neighboring countries. Female population with at least secondary education is around 26.6 percent which is relatively low. Female representation in politics also remains absolutely low. Gender Inequality Index reflects gender based inequalities in three dimensions: reproductive health, empowerment and economic activity.

(iv) HEALTH : The overall spending on health of the people is as follows :

TABLE – 5
Spend on Health (% of G.D.P)

Period	Govt.	Private	Total
2004 – 5	0.9	2.9	3.8
2007 – 8	0.9	2.6	3.5
2010 – 11	1.0	2.2	3.3

Source: Planning Commission

The table reveals that the Government has been spending very low percentage of G.D.P on health of the people as compared to private sector, however, total spending on health of the people in the country is around 3.5 percent of G.D.P which is not enough for the large population in the country. Therefore, the Govt. has increased the allocation on health care by 263% in the 12th plan.

The condition of public health in India is given in the following table:

TABLE – 6
Condition of Public Health Services

Infrastructure	Short fall%	Doctors	Short fall %
Sub. – Centers	17	Doctors	76
P.H.C.s	18	Specialists	88
Community Health Centers	34	Nurses	53
District Hospitals	04	Radiographers	85
		Lab. Technicians	80

Source: Rural Health Status Report: 2011

Above table indicates that there is an acute shortage of infrastructure as well Doctors and other specialists in the hospitals in the country, particularly in rural

areas. The increased allocation on health care is justified but how much will go to the patients is important for growth.

India is the home to the largest number of hungry people about a quarter of the estimated 820 million in the whole world. The National Family and Health survey last carried out in 2004–05 shows that 23% of the married men, 52% of the married women and 72% of the children were anemic. 44% of the kids under 5 years of age were under – weight and 213 to 330 million people were malnourished. Higher allocations to water, sanitation and nutrition program in the 12th plan will also translate into improved health.

V. THE CHALLENGES

India is one of the most popular countries in the world and that it has its own advantages. Graphically India is well placed with working age population growth expected to be 31%. India's per capita income is \$1514 which is among the lowest in the world but this means that there is enough room for growth. Favorable demographics, rising per capita income and strong services sector are likely to help India continue on the growth path for the next few years. India lacks fiscal discipline. Low government revenue and high expenditure over the years have affected the fiscal situation. Illiteracy (26%) and low public spending on education (3.1% of GDP) make it difficult to take full advantage of the democratic dividend.

India will not achieve its full potential on a sustained basis if it does not invest more in infrastructure, tackle inflation and cut subsidies to balance its fiscal situation.

CONCLUSIONS:

Inclusive growth is the process and the outcome where all groups of people, have participated in the organization of growth and have benefited equitably from it. Economic growth is a precondition for inclusive growth. The growth has to include the poor and socio – economic groups. The Govt. has increased allocations in every sector in the 12th plan.

Enrolment in primary and upper primary schools have become more inclusive with the proportion of girls and SC /STs having gone up between 2005 – 6 and 2009 – 10. However, the students' performance has been declining as they progress to higher classes.

The increased allocations in Education have not resulted in improved learning outcomes. India faces better than its neighbors on the basis of gender inequalities in reproductive health, empowerment and economic activity. There is an acute shortage of infrastructure as well as Doctors and other specialists in the Hospitals in the country. India is the home to the largest number of hungry people. Favorable demographics, rising per capita income and strong services sector are likely to help India continue on the growth path for the next few years. Thus, India should follow the strategy to achieve its full potential on a sustained basis, invest more in infrastructure, tackle inflation and cut subsidies to balance its fiscal situation.

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Psychological Contract Breach – A Challenge For Engaging Employees And Managing Talent

* Shakti Awasthi

ABSTRACT:

Today's changing business environment is continuously posing innumerable challenges to the business. The importance of human resource has been well understood as a key driver for business excellence. To retain and engage best of the talent is on the top of such challenges. The present study is trying to explore one such aspect essentially effecting Employer- Employee relationship. In the present study, I have studied the impact of Psychological Contract Breach on employee's on the job behaviour, essentially on the job performance. I further tried to explore whether the negative impact of Psychological Contract Breach can further be pacified by certain aspects as the mentor at the work place and trust the employee have in the organization, which can further be studied for effectively developing talent which can result in sustainable competitive advantage.

The present study is done on 67 employees working in SME sector at mahape Navi Mumbai. The data collection is done by means of online questionnaire at convenience. In the research we have tried to explore the factors that can catalyze the talent management program in the organizations by reducing the negative impact of psychological contract breach experienced by the employee at his work place by means of two major variables which are Mentor interactions at the work place and trust in the organization. Which can further result in enhancing the level of engagement; further which can be studied as a factor bringing the positive reinforcement to Talent Development program in the organization.

Key words: *SME, Psychological contract breach, competitive advantage, talent*

INTRODUCTION:

There are number of researches done previously that has supported the relationship between the psychological contract and various other aspects of the work performance. (e.g. Turnley et al., 2003). The psychological contract refers to "individual beliefs, shaped by the organization, regarding terms of an exchange agreement between the individual and their organization" (Conway and Briner, 2005; Rousseau, 1995, p. 9). Psychological contract breach is defined as the cognition that the organization has failed to meet one or more obligations within the scope of the psychological contract whereas the employee has fulfilled his or

her obligations (Morrison and Robinson, 1997). Through present study I have tried to find out the impact of psychological contract breach on the engagement of the employee in the organization and ultimately on the effect on the talent development program of the organization.

The present study aims to understand psychological contracts breaches and their relationship with performance by examining empirically interactions between contract breach and the forms of social exchange like the relationship between the mentors at work place, co-operative supervisor.

Psychological contract breach is negatively related to work performance. Employees and employers engage in exchanges in which each party reciprocates the other's contributions (Blau, 1964). According to the norms of reciprocity (Gouldner, 1960), when employers do not fulfill their promises and obligations or the promises, the employee reciprocates by altering his or her contributions to the organization (e.g. by reducing their efforts and performance). The outcome can be reduction in work performance, reducing his/her trust in the organization which can have its outcome in form of talent turnover. Thus, psychological contract breach is expected to be negatively related to employee job performance. Moreover, when the organization fulfills its promised obligations, employees may be motivated and engage in discretionary behaviors, including increased effort and organizational citizenship (OCBs; Coyle-Shapiro, 2002) This is how Psychological contract breach can be a dimension of study for competing organization where retaining, managing and developing the talent is a major concern.

The psychological contract refers to “individual beliefs, shaped by the organization, regarding terms of an exchange agreement between the individual and their organization” (Conway and Briner, 2005; Rousseau, 1995, p. 9). Contracts of a psychological nature are usually describing mutual exchanges between employees and their organization (Suazo et al., 2009).

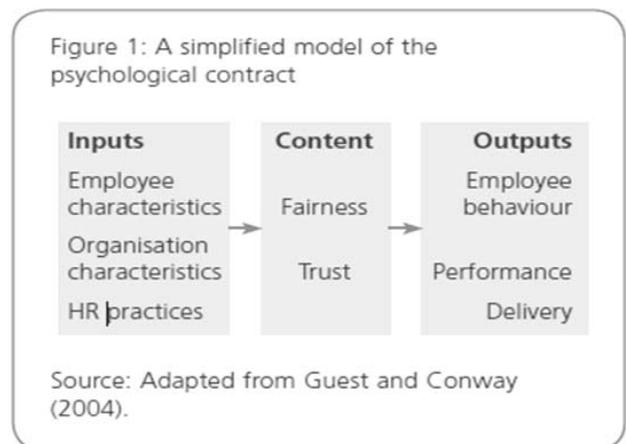
Global changes in product and labour markets, are bringing a continuous and gradual process of transition rather than a disastrous and irreversible shift into a new and turbulent future. The psychological contract has not been turned on its head. It is now best seen as a tool that can help employers negotiate the inevitable process of change so as to achieve their business objectives without sacrificing the support and co-operation of employees which otherwise can be unengaged employee in the organization.

The effect of psychological contract on organizations' performance

Professor David Guest (Guest and Conway 2004) of Kings College London has presented a useful model explaining the psychological contract.

The Guest model suggests the following

1. The extent to which employers adopt people management practices will have a major Influence on the state of the psychological contract.
2. The state of the contract will be reflected in employees' sense of fairness and trust and their belief that the employer will deliver on the 'deal' between them.
3. A positive psychological contract will lead to greater employee commitment and satisfaction.



If the psychological contract is broken there are a number of impacts:

- A negative impact on job satisfaction
- A negative impact on the commitment of the employee
- **A negative impact on employee engagement.**

Managers need to remember:

- Employment relationships may deteriorate despite management's best efforts: nevertheless it is managers' job to take responsibility for maintaining them.

- Preventing breach in the first place is better than trying to repair the damage afterwards.
- Where breach cannot be avoided it may be better to spend time negotiating or renegotiating the deal, rather than focusing too much on delivery.

A positive psychological contract typically supports a high level of employee engagement. However the concept of engagement goes beyond employees' attitudes and underlines the need for managers to draw out employees' discretionary behavior.

Two psychological aspects which have been extensively studied and are said to achieve tangible as well as intangible firm level outcomes are employee engagement (EE) and employee psychological contract (PC). A common thread passing through engagement and psychological contract is that they are recognized as processes for developing and retaining talent (2006, Ingham, J)

Perceived managerial fairness in dealing with problems also impacts significantly on individual performance although it is not significantly related to engagement.

Similarly the Institute of Employment Studies (IES) has concluded that the main driver of engagement is a sense of feeling valued and involved. The main components of this are said to be:

- involvement in decision-making
- freedom to voice ideas, to which managers listen
- feeling enabled to perform well
- having opportunities to develop the job
- Feeling the organization is concerned for employees' health and well-being.

Engagement levels are influenced by employees' personal characteristics, people are also influenced by the jobs they do and the experiences they have at work. The way in which both senior management and line managers behave towards, and communicate with, employees, plus the way in which work is

organized and jobs defined, contribute significantly towards work performance.

Social Relationship is referred to as the total interaction between an employee with other aspects in the organization. In the current study, we examine how differences in social relations between individuals influence the effects of broken psychological contract and how ultimately can be considered as an important aspect for retaining the talent in the organization. Social relationship is about the social interactions between employee and organization, potentially generating high-quality long-term relationships between employee and organization (2005, Cropanzano and Mitchell). Specifically, we propose that high-quality relationships may sensitize or desensitize a person to negative effects of contract breach on work performance, which will not only be beneficial to the employees in retaining the talent but also in developing and nurturing them in the organization.

Woodruffe, 1999 Identified three elements of the relationship as critical to employability. These are career advancement, the opportunity for personal development, and being part of a respect-worthy organization, achievement, a sense of direction, respect and recognition, autonomy, balance, and a sense of fun. In particular, there is an important link between employees feeling they have a satisfactory balance between their work and personal lives, and having a positive psychological contract. Employers need to think through how employees can be helped to achieve such a balance.

Employees are cognitively engaged when they are aware of their mission and role in their work environment, have what they need at work and have opportunities to feel an impact and fulfillment in their work. Employees are emotionally engaged when they perceive that they are part of something significant with co-workers whom they trust, form meaningful connection with and experience empathy and concern for, and also have chances to improve and develop (2007, Upasana Aggarwal, Sumita Datta, Shivganesh Bhargava)

Organization citizenship behavior (OCB) is discretionary behavior, not included in an employee's formal job description, such as assisting coworkers with their work, helping peers learn a new task, volunteering to do things that benefit their work groups, among others.

Psychological contract has prolific impact on job satisfaction, organizational commitment, intention to quit and organizational citizenship behaviour, as does employee engagement (1988, Lexington, MA: Lexington Books). The motivational basis of psychological contract is need fulfillment. Job involvement satisfies an individual's desire to belong, to be 'part of' while organization commitment fulfils the desire to remain affiliated (2003, Masterson, S, and C Stamper)

Talent management strategies focus on five primary areas: attracting, selecting, engaging, developing and retaining employees. Although pay and benefits initially attract employees, top-tier leadership organizations focus on retaining and developing talent (2003, Towers Perrin). Psychological contract therefore, is important to manage expectations realistically from the outset. Another key issue, of course, is managing applicants who fail to gain a place in a talent program, which can be a real blow to the employee's confidence and self-esteem.

(McCartney C, & Garrow, V (2006) . Equally important is the ability to engage the whole organization in developing a talent mind-set. While the introduction of talent management may be a response to a changing business environment and signal a shift to a more proactive culture of employee development and performance management, it also needs to fit with other people management practices and support the core values and purpose of the organization. (2008, public personnel management)

Hypothesis:

H₁: Psychological contract breach at SME negatively related to the job performance

H₂: Relationships with the mentor will moderate the relation between psychological contract breach and job performance

H₃: Trust in the organization will moderate the relation between psychological contract breach and job performance

Employees who have high-quality social exchange relationships with their organizations are more sensitive to contract breach like they interact with their colleagues, co-workers, communicate etc (Coyle-Shapiro, 2002; Restubog and Bordia, 2006). Since employees with high-quality social exchanges may have become more committed to their organizations (Masterson et al., 2000), and are less likely to leave the organization (Tekleab et al., 2005), psychological contract breach inflicts severe damages on their relationship with the organization. This is consistent with arguments provided by Robinson and Rousseau (1994): employees placing greater value on the employment. Psychological contract breach refers to perceptions of a profound damage to the employment relationship between the employee and organization (Conway and Briner, 2005; Rousseau, 1995).

The social exchange relation reflects the socio-emotional aspects of the employment relationship, and thus the perceived quality of the employment relationship (Blau, 1964, pp. 91-3). According to Morrison and Robinson (1997), contract breaches function as a trigger for a cognitive sense-making process

While conducting the interviews of the employees most of the employees are agreed upon the aspect of mentor. So this aspect has been taken for the study under social exchange concept.

Psychological Contract Breach and work performance:

Psychological contract breach is negatively related to work performance (Turnley et al.,2003; Zhao et al., 2007). Consistent with prior work, we examine

two types of work performance: job performance (in-role) and organizational citizenship behaviors which signifies the extra role which an employees plays considering himself as the part of the organization.(Organ, 1988; Williams and Anderson, 1991). Employees and employers engage in exchanges in which each party reciprocates the other's contributions (Blau, 1964). According to the norms of reciprocity (Gouldner, 1960), when employers do not fulfill their promises and obligations, the employee reciprocates by altering his or her contributions to the organization (e.g. by reducing their efforts and performance). Thus, psychological contract breach is expected to be negatively related to employee job performance. The negative impact on the work performance is not only harmful for the employee by affecting the appraisal but for the organization as well since it increases the risk of turnover of a talent from the organization.

Psychological contract breach and Trust in the organization

Trust is especially built when two parties reciprocates the mutual obligations over a certain period of time developing an exchange relationship (Blau, 1964; Coyle-Shapiro and Conway, 2004). Experiences of psychological contract breach should depend on social and psychological factors specific to the employment relationship in which it usually takes

place (Morrison and Robinson, 1997; Robinson, 1996).

Trust is an individual propensity to trust, combined with an individual's expectations about a trustee's future behavior (Dunn and Schweitzer, 2005; Mayer et al., 1995). Formally stated, A trusts B if A displays behavior towards B on account of which B would be able to hurt/violate A's interests (Bhattacharya et al., 1998). Researchers have used selective interpretation arguments to argue that employees perceive breaches through the existing levels of trust they have in their organization. The trust level increases the chances of retaining the talent pool in the organization.

Method

Sample and procedure

We collected data from a service organization situated in the Mahape region of Navi Mumbai; by means of unstructured interviews and online questionnaires, based on responses from 67 employees, 79 percent were men, 69 percent had at least some college education, 81 percent were 30 years or older, 75 percent had worked for the organization for more than three years, and 82 percent had been on the current position for more than a year. We were interested to measure both work performance and trust in the organization.

TABLE - 1

	Mean	SD	G	T	E	PCB	SM	TIO	SER	IRB	OCB
1 Gender	1.2	0.4	-								
2 Tenure	3.97	1.7	-0.16								
3 Education	2.23	1.19	0.06	-0.18							
4 PsychologicalContract Breach	2.54	0.71	0.03	0.02	-0.1	0.89					
5 Support of Msentor	3.17	0.86	0.11	-0.11	-0.1	-0.5	0.91				
6 trust in the organization	3.27	0.71	0.06	-0.13	0.04	-0.6	0.68	0.8			
7 Social Exchange Relationship	3.39	0.67	0.00	-0.03	-0	-0.5	0.57	0.56	0.83		
8 In-role behaviour	4.54	0.59	-0.01	-0.07	-0	-0.2	0.14	0.2	0.13	0.87	
9 OrganizationCitizenship behaviour	3.86	0.77	0.03	0.1	-0	-0.2	0.3	0.25	0.18	0.28	0.9

Note : n = 67 , Correlation Coefficients greater then +/- 0.13 are significant at p<0.05 .Correlation Coefficient greater then +/-0.17 are significant at p<0.01

TABLE - 2

Hierarchical Regression Analysis Predicting Employees Performance and In-Role Behaviour			
Dependent Variable			
In-Role Behaviour			
	Step 1	Step 2	step 3
Controlled Variable			
<i>Gender</i>	-0.02	-0.02	-0.02
<i>Tenure</i>	-0.08	-0.07	-0.08
<i>Education</i>	-0.03	-0.04	-0.06
Independent Variables			
<i>Psychological Contract Breach</i>		-0.17	-0.20
<i>Mentor at work place</i>		0.04	0.03
Psychological Contract Breach * Mentor at Work place			-0.13
F	0.56	2.31	2.68
ΔF		4.92	4.36
R²	0.01	0.04	0.06
ΔR²		0.04	0.02
Controlled Variable			
<i>Gender</i>	-0.02	-0.02	-0.02
<i>Tenure</i>	-0.08	-0.06	-0.07
<i>Education</i>	-0.03	-0.04	-0.06
Independent Variables			
<i>Psychological Contract Breach</i>		-0.12	-0.16
<i>Trust In Organization</i>		0.12	0.11
Psychological Contract Breach * Trust In Organization		-0.16	
F	0.56	2.82	3.51
ΔF		6.17	6.68
R²	0.01	0.05	0.08
ΔR²		0.05	0.02

Results

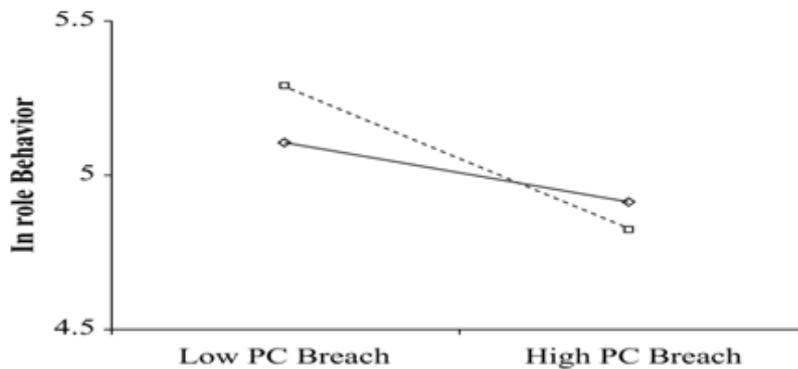
H₁: Contract breach will negatively related to work performance
 The results of the first hypothesis are shown, Psychological contract breach is negatively correlated with both in-role behaviors (-0.19, p<0.01) . Therefore first hypothesis is supported.

H₂: The mentor support will moderate the relationship between contract breach and performance. The results of the second hypothesis are shown in Table II. Presence of Mentor moderated the relationship between contract breach and in-role behaviors significantly ($\hat{\alpha} = -0.13$, $P < 0.05$, $R^2 = 0.02$). The low level of interaction with mentor employees had lower performance

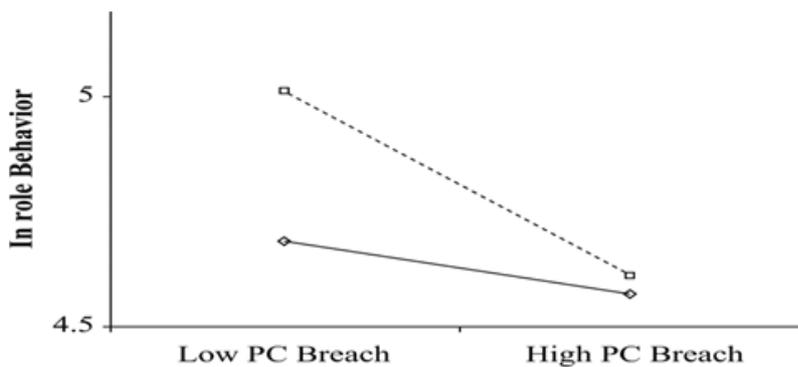
levels when contract breach was low. When drawing the curve the slope for the low mentor employees interaction was not significant ($\hat{\alpha} = 0.09$, ns), whereas the slope for the high interactions was strongly negative ($\hat{\alpha} = 0.30$, $p < 0.001$)

simple slope for the low-trust employees was non-significant ($\hat{\alpha} = 20.03$, ns). The simple slope for the high-trust employees was negative ($\hat{\alpha} = 20.28$, $p < 0.01$). The pattern of interaction supports stable low levels of performance for low-trust employees and declining performance for high-trust employees when contract breach increases. ($\hat{\alpha} = 20.16$, $p < 0.01$, " $R^2 = 0.02$ ").

H_3 : ($\hat{\alpha} = 20.16$, $p < 0.01$, " $R^2 = 0.02$ "). On plotting this interaction this effect is graphically the



(a) Interaction between psychological contract breach and mentor on in-role performance



(b) Interaction between psychological contract breach and trust in the organization on in-role performance

Implications of the study

The study contributes to a more sophisticated understanding of the impact of contract breaches on employee in-job performance and the impact of mentoring and trust in the organization. Although researchers have mentioned that high-quality relationships between the employee and the organization may subside the negative effects of contract breach. On the other hand, we have suggested that minor breaches of the psychological contract may be subsided by high social exchanges like different types of positive interactions in the

organization. The current study contributes to the psychological contract literature by including moderators in the breach-outcome relationship. Through this study we have tried to show that social exchanges play significant role in reducing the effects of contract breaches as well can be studied as an important factor helpful in retaining the talent, other factors in the organization might be important as well. For instance, employees who perceive that their psychological contract has been breached might be treated less fairly than other employees (Guest,

2004) which not can led him/her disengaged with the organization but there are the chances that one of the talented employee can leave the organization because this adds to the feelings of betrayal employees may have when they experience contract breaches. Thus, it seems that judgments regarding the social exchange relationship with the organization are a more important contextual factor with respect to the effects of contract breach than mere the perception of justice.

The study has its implication for the corporate which are continuously facing the talent shortage. Further studies can be done to asses the correlation between the talent turnover and psychological contract breach faced by the employees in the organization

Limitations and suggestions for further research

Sample size is a major constraint in the present study, also the data is collected at one point of time i.e. In one time frame thus most of the casual inferences must be avoided. Future research can rely on experimental, quasi-experimental or longitudinal designs, and provide more convincing evidence on causes of contract breaches and its implications for enhancing the scope of talent development program in the organization. future studies may be necessary to validate our findings by obtaining data on our outcomes from a different source i.e. coworkers, supervisors. More over the present study was conducted on some of the SME'S present at mahape Navi Mumbai.

Practical implications

The current study has practical implications for organizations first, we show that when employees perceive that the organization does not fulfill its promises and obligations, employees reciprocate by reducing their efforts in the job. Psychological contract breach was found to be negatively related to job performance, and ultimately the impact on the turn over intentions and its relationship with contract breach can be done

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The Changing Trends of Unit linked Insurance Plan (ULIP) Business in India

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Introduction

Insurance is a social device to reduce or eliminate risk of loss to life and property. With India's growing exposure to global markets it is now being appreciated that the business of insurance with its unique features has a special place in the economy of our country. The high volumes in the insurance business help to spread risks wider, allowing reduction of the rate of premium. It is an important vehicle of savings.

Today, Insurance happens to be a mega business in India. It is a business growing at the rate of 10 to 15 percent annually. Together with banking services it adds about 7% of the GDP. Gross premium collection percent of GDP and funds available with LIC for investment are 8% of GDP. Yet nearly 80% of the population is without life insurance cover. More over the insurance density and penetration is one of the lowest in the world. So, towards the end of 1999 India took the bold step of opening up the insurance sector. Private life insurance companies within a short period of time captured 26% of the Indian Insurance market. Unit linked insurance plan (ULIP) is the main product for the success of private life insurance companies. ULIP constitute 80-90 per cent of total insurance sales and has grown at about 25 per cent during 2006-2010. The menace of mis-selling hit the industry in 2007, for the first time, when IRDA took first major action after an insurance advisor attempted to sell a unit-linked policy to IRDA official with unrealistic projections. On 9 April, 2010, SEBI issued an order barring 14 life insurers from launching new ULIPs, without registering them with SEBI. This created a tussle between SEBI and IRDA. The

issue involved a whopping Rs 177 thousand crore worth of public money involved (AUM) in ULIP products (as on May, 2010). The poor return because of the stock market crisis created panic and the tussle between IRDA and SEBI confused the ULIP buyers and kept them away.

Review of Literature

In order to find out the gaps in the studies it is pertinent to review the available literature on the related aspects of the present study. Though, there are published articles written by various authors and experts there is no specific detailed study conducted in the changing perspectives of Unit linked insurance business in India. The reviews of literature relating to the changing scenario of Indian insurance industry were analyzed.

Dr. P. Periaswamy, in his book has narrated that the private insurers have boosted the healthy development of the insurance industry in India, which has contributed substantially in overall performance. The private sector has brought with them international experience, cutting edge technology and new products¹.

R. B. Kishore, in his article narrated that LIC with its stated objective of spreading life insurance has been pursuing life insurance business for the past five decades. In its journey the insurance giant has covered millions of lives and has gained the trust of its customers².

Pushpa Giriraj in her article has suggested that IRDA should also review the Regulation on protection of policyholder interest and amend it to tighten loopholes on the basis of customer feedback³.

S.P.Subhedar in his article has described that a life insurer acts as a trustee of policyholders' money and it is the insurer's responsibility to ensure that a fraudster is not allowed to defame the bona-fide policyholders. In this context, the system for underwriting of proposal servicing of policies and processing of claims need to have adequate safeguards to detect frauds.

P. S. Prabhakar in his article observed that in half a decade of existence IRDA has significantly transformed the industry but there is still much left to be accomplished.

Rashmi Abichandani in her article has mentioned that marketing of insurance products are more important and so are alternative channels for marketing. In urban areas this includes the internet, ATMs, call centers, direct mailing and so on. In the rural areas the NGO's play an important role in distribution. Positive use of e-technology by the insurance industry is going to give it a greater impetus and help in easier, faster and convenient marketing.

Defining the Problem

After reviewing the above literature it is observed that there is no major study conducted on the changing trends of Unit linked insurance plan business in India. A lot of economic changes have taken place after privatization. Hence the researcher has taken up the mantle of undertaking research on 'A study on the changing trends of Unit linked insurance plan(ULIP) business in India'.

Objectives of the Study

The following points are the important objectives of the study.

- a) To study the awareness levels of the people of Mumbai about ULIP products.
- b) To study the problems faced by the ULIP Customers.
- c) To study the opportunities and growth of ULIP business.

- d) To study the new IRDA guidelines and its impact on the business of ULIPs
- e) To study the effect of ULIP sales on the overall business of Life insurance companies

Area of the Study

Mumbai is one of the most popular cities in the world and the commercial capital of India contributing 10% of factory employment, 33% income tax collection, 60 % of customs duty collection, 20% of central excise tax collection, 40% of Indian foreign trade and Rs. 40,000 crore in corporate tax. The overall literacy rate is 86%, which is more than the national average.. Along with the rest of India, Mumbai has witnessed an economic boom since liberalization in 1991. The concept of insurance is more popular in Mumbai than any other part of India. Mumbai has all types of people with more purchasing power. Moreover, many of the private insurance companies have their head offices in Mumbai. Hence, it is appropriate to consider Mumbai as the area for the survey

Research Methodology

The study is descriptive and analytical. Hence, Survey method is followed for the study. Primary data as well as secondary data were used to test the hypothesis. Primary data were collected with the help of questionnaire with open ended and closed ended questions.

a) Selection of Sample Size

The policyholders in the city of Mumbai were treated as universe since the data about the universe is not certain. As per the census 2001 Mumbai is having a population of 12 million but only 20% of the insurable population (around 50%) is insured, which consists of children, multiple policyholders and multiple company policyholders. Therefore, considering this problem and the time available for the study a sample size of 150 policyholders is considered as ideal.

b) Sampling Technique

Stratified random sampling technique was followed. For the purpose of sampling the Mumbai city is divided into three strata, namely, South Mumbai, Western Suburb and the Eastern Suburb. On the basis of the population of Mumbai, the sample size of 150 policyholders are proportionately divided as 40 policyholders from South Mumbai, 40 policyholders from Eastern Suburb and 70 policyholders from Western Suburb were selected on random basis.

c) Secondary Data

References were taken from Journals, Periodicals, Magazines, Newspapers Articles, Research papers published by various authors, Books and other related publications, Published reports of insurance companies and References taken from the Web sites.

d) Techniques of Analysis

Analysis of data was done by using various statistical tools. The data collected from various sources were classified, tabulated and analyzed to arrive at appropriate conclusions and interpretations. Statistical techniques of bar charts, graphs and pie diagrams were used wherever needed.

Analysis of Data

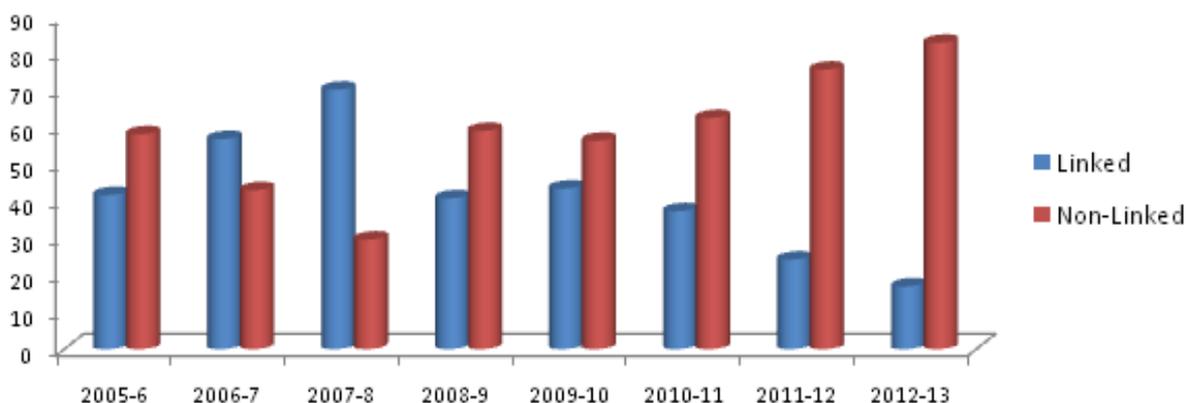
1.Share of Linked and Non-Linked insurance products

To find out the main reason for the reduction of premium collection, we analyzed the ratio between Linked and non-linked insurance business of companies. (Table -1)

TABLE -1
Share of Linked and Non-Linked insurance products (%)

Insurer	2005-6	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12	2012-13
LIC Linked	29.76	46.31	31.61	22.06	25.39	19.26	7.34	3.12
Non-Linked	70.24	53.69	68.39	77.94	74.61	80.74	92.66	96.88
Total	100							
Private Linked	82.48	87.47	88.34	86.74	86	79.20	65.03	53.95
Non-Linked	17.52	12.53	11.66	13.26	14	20.80	34.97	46.05
Total	100							
Grand total Linked	41.77	56.92	70.30	40.87	43.52	37.38	24.26	17
Non-Linked	58.23	43.08	29.70	59.13	56.48	62.62	75.74	83
Total	100							

Share of Linked and Non-Linked Insurance Products(%) (Figure-1)



For LIC the share of linked products was a meager in the year 2003-04. i.e. only 2.29% . But this has gone up to 46.31% in the year-2006-07. When we analyzed the total number of policies sold by the private life insurance companies we could make out that the share of ULIPS were almost 85% upto 2007-08 and then it is reducing continuously. Thereafter slowly and gradually the sale of traditional products has increased. From this we can conclude that until the sales of ULIPS have not affected the total number of policies sold by privates were positive. When the total numbers of linked and non-linked policies issued by all companies were compared, there was a tremendous growth of ULIPs up to 2007-08 and

afterwards it has reduced. As for as traditional products are concerned this growth was just opposite (figure-1)

2. Purchase of ULIP

To understand whether policyholders are now buying new ULIP policies a specific question was asked to the policy holders. Their responses were tabulated and shown in table-2. From the table it is clear that only 20% of the policy holders have purchased new ULI plans. This is an indication that ULIP has lost its important in the market.

TABLE -2
PURCHASED ULIP IN THE RECENT PAST

Purchased ULIP in the near past	Frequency	Valid Percent
Yes	30	20.00
No	120	80.00
No Response	—	—
Total	150	100.0

3. Problems faced by ULIP Customers

To understand the problems faced by the respondents, a specific question was asked. On the basis of the data Table-3 is prepared. The private sector insurance company's customers faced lot of problems. False promises top the list with 93.94% followed by poor returns (89.10%) and lack of professionalism (64.71%). For LIC the major problem is poor service (50%) followed by poor claim settlement (43.85%) and lack of professionalism (35.29%). This shows that majority of the customers of private insurance companies are disappointed with their services.

TABLE-3
Problems faced by Life Insurance Policyholders

Problems	LIC		Private Insurance companies		Total
	Frequency	Valid Percent	Frequency	Valid Percent	
Poor Service	32	50.00	32	50.00	64
Poor Claim settlement	25	43.85	32	56.15	57
Lack of Professionalism	12	35.29	22	64.71	34
Poor Returns	6	10.90	49	89.10	55
False promises	2	6.06	31	93.94	33
Total	77	31.68	166	68.32	243

4.Surrendering of ULIP.

Since many of the ULIP policyholders are dissatisfied with the returns and the diminishing NAV a specific question of surrendering ULIP was asked to the policyholders. The responses of the policyholders were shown in figure -2. Only 14 (9.33%) policyholders have surrendered their ULIP. Others could not decide on surrendering. That is the reason the renewal premium of ULIP products are affected only a little. The policyholders who have surrendered their ULIPS were further asked whether they got their money back without any problem. Their response is shown in the table- 4. 71.42% of the policy holders got their money without any problem while 28.58% faced some problem.

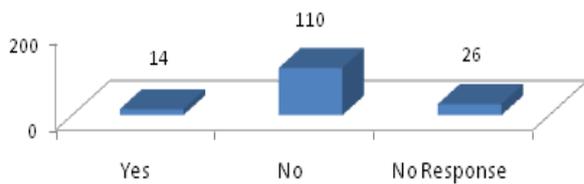


Figure 2. Surrendered ULIP

TABLE- 4.
Got the money without problem when Surrendered ULIP

Got the money without problem	Frequency	Valid Percent
Yes	10	71.42
No	4	28.58
Total	14	100.0

The policyholders who have surrendered their ULIPS were further asked whether they got any profit when surrendered their ULIPS. Their responses were shown in figure-3. 57.16% of the policyholders got profit while 43.84% policyholders made loss. This created a bad impression in the minds of other policyholders about ULIPS.

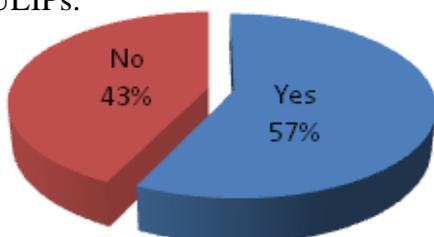


Figure -3.Got profit while surrendering ULIP

5. Discontinued ULIP

Since many of the ULIP policyholders are dissatisfied with the returns and the diminishing NAV a specific question of 'discontinued ULIP' was asked to the policyholders. Their responses were tabulated and shown in table -5

TABLE -5
Discontinued ULIP

Discontinued ULIP	Frequency	Valid Percent
Yes	8	5.33
No	63	42.00
No Response	79	52.67
Total	150	100.0

Though only 5.33% of the ULIP policyholders have discontinued it many of them were unable to decide on the discontinuing because of the fear of losing their hard earned money. If these policyholders decided to discontinue then the renewal premium of these policies will affect the maximum.

6. Made a Mistake of buying ULIP

The policy holders of ULIPs were further asked whether they made a mistake of buying unit lined insurance plan. The responses of the policy holders were tabulated and shown in figure- 4.

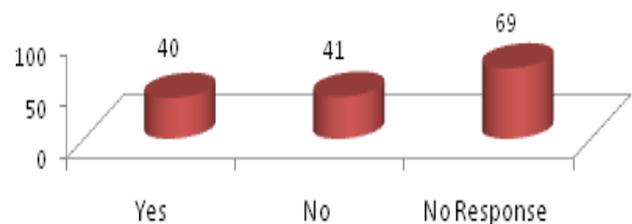


Figure -4 Made a Mistake of buying ULIP

The analysis of the data shows that 26.67% of the policy holders of ULIPs felt that they made a mistake of buying Unit Linked insurance plans while 27.33% felt they did not made any mistake of buying ULIPs. 46% of the ULIP policyholders could not give any comment on this question. This shows that majority of the policy holders are disappointed with their unit linked insurance plans.

Problem of ULIP

The policy holders of ULIPs were further asked to identify the problems of unit linked insurance plan. The responses of the policy holders were tabulated and shown in table-6

TABLE -6
Problem of ULIP

Problem	Frequency	Valid Percent
Improper advice	36	38.71
Poor rate of return	15	16.12
Premium allocation charges	15	16.12
Diminishing NAV	27	29.03
Total	93	100

From the analysis it is clear that majority of the policy holders feel that they were given false advices about unit linked insurance plan and the projected returns. Since this is not matching with the current trend some of them discontinued or surrendered their policies. Others are also keenly watching the net asset value for taking a decision on continuing ULIPs.

7. Recommendation of ULIP Products

The respondents were asked as to whether they would like to recommend ULIP to their friends, relatives and others. Only 19 (12.67%) out of 150 respondents said that they will recommend.. For this easy understanding a bar chart is prepared and shown as figure-5.

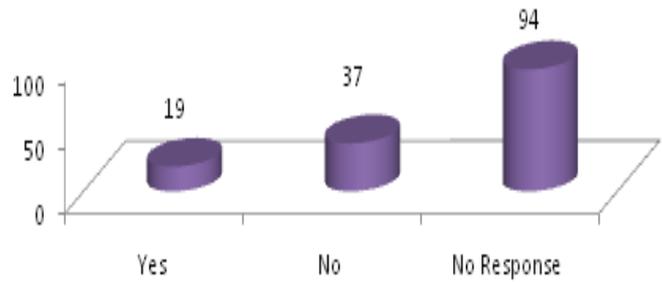


Figure-5 Recommending of ULIPs

From the analysis it is clear that nobody is interested in recommending unit linked insurance plan to their friends, relatives and others. This is a very serious issue to the life insurance companies in general and to private insurance companies in particular since the growth of private insurance companies is much connected to unit lined insurance plan.

8. Awareness level of new ULIP guidelines

The respondents were asked whether they are aware of new ULIP guidelines issued by IRDA. Their response was tabulated and show in table - 7. The analysis shows that majority of the unit linked policy holders are not aware of the new IRDA guidelines about ULIPs.

TABLE -7
Awareness of new ULIP guidelines

Awareness of new ULIP guidelines	Frequency	Valid Percent
Yes	47	31.33
No	60	40.00
No Response	43	28.67
Total	150	100.0

Conclusions

The primary data collected from insurance policy holders in the city of Mumbai to find out their understanding level on insurance companies, products, policies purchased by them, their satisfaction levels, reason for the purchase of

Ulips, the problems faced and the benefits derived by them etc. were clearly tabulated and analyzed. From the analysis of the primary data and secondary data the following conclusions were deduced:

- 1) The growth rate of regular premium collected by both LIC and private life insurance companies are affected. The private insurance company's premium collection is going down steadily. The data of LIC indicates that the sale of ULIPs has gone down to 3.12% in 2012-13 and the sale of traditional policy has increased gradually.
- 2) When we analyzed the total number of policies sold by the private life insurance companies we could make out that the share of ULIPs were almost 85% upto 2007-08 and then it reducing continuously. As for as traditional products are concerned this growth was just opposite.
- 3) The world economic problem in 2008, The crash of Indian stock market, The tussle between SEBI and IRDA, The gross mis-selling of the product and the new guidelines on ULIPs are major reasons for the setback on ULIPs
- 4) The analysis of questionnaire shows that ULIP is the last product they are interested to buy from insurance companies.
- 5) Overall LIC is having a good satisfaction level; while the HDFC is having good satisfaction level while Reliance is having the least in the private sector.
- 6) The private sector insurance company's customers faced lot of problems and majority of them are disappointed with their services.
- 7) The respondents opine that LIC is providing a good service (69.23%) against private life insurance companies (10%). 60% of the private ULIP policyholders are not at all happy with service, claim settlement and returns.
- 8) Only 9.33% policyholders have surrendered their ULIP. Others could not decide on

surrendering. That is the reason the renewal premium of ULIP products are not affected much.

- 9) 71.42% the policyholders who have surrendered their ULIPs got their money back without any problem while 28.58% faced some problem.
- 10) 57.16% of the policyholders who have surrendered their ULIPs got profit while 43.84% policyholders made loss. This created a bad impression in the minds of other policyholders about ULIPs.
- 11) Only 5.33% of the ULIP policyholders have discontinued it. Many of them were unable to decide on the discontinuing because of the fear of losing their hard earned money
- 12) The analysis of the data shows that 26.67% of the policy holders of ULIPs felt that they made a mistake of buying Unit Linked insurance plans while 27.33% felt they did not made any mistake of buying ULIPs. 46% of the ULIP policyholders could not give any comment on this question. This shows that majority of the policy holders are disappointed with their unit linked insurance plans.
- 13) Majority of the policy holders opined that the improper advice (38.72%) is the major problem of unit linked insurance plan while diminishing NAV (29.03%) is the second most problem.
- 14) Majority of the policy holders are not aware of the new guidelines issued by IRDA on ULIPs. Only 33.33% have some information.

From the analysis one can come to the conclusion that the policy holders of Mumbai are well informed. Though they purchased ULIPs in the earlier years now a day they are not buying unit linked insurance plan. They are totally disappointed with the product. This is visible since they are not willing to recommend the product to fellow friends and relatives. This is a very bad news to the life insurance companies.

The analysis and conclusions proved beyond doubt the following hypothesis of this study.

- The demands for the Unit linked insurance products are reducing.
- The growth of Private life Insurance companies affected because of ULIPS
- The new policy purchaser has rejected the ULIPs and went for traditional products.
- LICs new business has grown because of the set back on ULIPS

SUGGESTIONS

1) Majority of the ULIP policy holders come to know about the insurance products mainly through agents. This is not a healthy trend because as per the new guidelines the commission of the agents is reduced. So they may not show interest. So it is suggested that the companies should spend on advertisement for brand building and also to create awareness.

2) Though the policy holders of private sector life insurance companies were not satisfied than those of the public sector insurance company LIC, they are not ready to recommend the ULIPs to others. So it is suggested that the private insurance companies must take steps to improve the brand image and their commitments to the customers. Also, some motivational steps could be taken for the recommendation made by the customers.

3) The companies are advised to take initiatives to discourage ULIPs surrendering and discontinuation.

4) A customer is really satisfied when he/she not only comes back, (for more) but brings some others with them (to be a new customer). Good Customer service, satisfied and loyal customers together make a competitive edge to insurance companies.

5) Those insurers remaining static will find that they no longer have a role to play in the vibrant and evolutionary market. For progressive Insurers who embrace technology and increase their customer focus, the opportunities for growth and development are significant.

6) In Insurance sector the rural market constitutes 70% of the insurable population. Recent studies have established that disposable income of farmers has risen. The NCAER study “Very Rich White book: a study of Super –Affluent Indian Consumers” shows that around 15% of mega rich are in rural India. Since agents are still the primary intermediaries in the Indian insurance scenario, emphasis should be laid on their training, explaining their role to them, enabling them to enhance their capabilities in dealing with rural customers.

7) The new regulatory environment has made ULIPs extremely customer-friendly and transparent. Customers benefit from the trine of life insurance, market-linked investment returns and tax benefits. The greatest appeal lies in its potential as an extremely effective tool for financial life-cycle planning, incorporating the best features of other competing platforms in the savings plan

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