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Publication of SIES College of Management Studies
Virtualities 2010 was on the theme “Global Recovery - Lessons Learnt”. It was a grand success with eminent people from the corporate addressing the students on pertinent issues. There was also huge participation from the student community in the student events.

National Conferences at SIESCOMS


The Chief Guest for the event was Mr. M. Borkar, the Executive Director of Serum Institute. Mr. Sudarshan Jain, Director - India Healthcare Business of Piramal Healthcare Limited. Mr. Narayan Gad, CEO- Panacea Biotec, Mr. Vinod Dua, Vice President- Alkem Laboratories, Mr. Hemant Dande, Senior Vice President- Raptakos Brett & Co. and Mr. Ranga Iyer, Consultant were the other guests.

National Research Conference in Marketing and Quantitative Techniques Jan 2010 -

“Paradigm Shifts in Marketing”
Sixteen papers from all over the country were presented at the conference.

National HR Conference 3rd Feb, 2010 -

“Deploying World Class Strategies for HRM”.

The guests of honor for the event included eminent personalities like Mr. Vivek Patwardhan – Vice President HR – Asian Paints and Mr. Conrad Saldanha – a retired veteran from Times of India.
Challenging times ahead……

The Goliaths tumbled and the earth trembled beneath their feet. However, human resilience re-exerted itself and the economy appears to be holding its own. The second half of 2009 saw the markets rallying and the prognosis seems to be that the worst is behind us.

The environment remained an issue of interest, as it should. Debates in various forums notwithstanding, there appear to be a more genuine effort on to protect the world environment. The sensitization of the student community to the issues of the environment is an absolute need of the hour.

Another issue of debate has been education and the reforms needed therein. The Foreign Universities Bill throws up new challenges for the institutions of higher learning in the country where lack of autonomy has already been a large one. Proposed NCHER Bill, 2010 is the other matter giving rise to controversy between centralization & deregulation. There is however no doubt that sweeping changes & reforms are imperative in the space of higher education more particularly management education, if India is to retain, if not improve, its position in the world order.

As per various consulting/ economic / social reports, India will face huge skills gaps in some job categories due to low employability over the next 20 years; it has reportedly also warned of a looming global labor crisis. Despite high unemployment, the global economy has entered a decade of unparalleled talent scarcity, according to the same reports. As facilitators of human talent, our job becomes more crucial and needs to gear up to face the forthcoming challenges which are unpredictable in nature.

The architecture of academic deliberations in such mediums of exchange definitely attempts to answer to some of the questions directly or otherwise.

A K Sen Gupta
Chief Editor
March 2010
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ISSN 0974-2956

Published By
South Indian Education Society College of Management Studies,
Sri Chandrasekharendra Saraswathy Vidypuram,
Plot no. 1-E, Sector V, Nerul, Navi Mumbai,
India. Pin Code - 400 706.

Printed At
Ennel Vision, Mumbai

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Transformational Leadership through Role Models: How B-Schools Can Teach New Paradigms of Leadership

Rohan Athalye
Rohan Athalye is a faculty of Human Resource and Organizational Behavior with Welingkar Institute of Management Development & Research (WeSchool), Mumbai.

Abstract
The study tried to understand the relationship between the perceived role-models of B-School students and their linkage with transformational leadership. Results revealed that transformational leadership does emerge as a common factor in the role-models of the students today with idealized influence and inspirational motivation garnering relatively higher frequencies compared to intellectual stimulation and individual consideration. The study also tried to place a new paradigm of leadership in B-Schools today by introducing the concept of transformational leadership; not just as a part of curriculum but also by changing the leadership style of the teacher. The study has tried to state that today’s academicians having transformational leadership parameters even in varying degrees stand a good chance of becoming role-models of the students today and influencing them in a positive way.

Key Words — Transformational leadership, Role-models, Idealized influence, Intellectual stimulation, Individual consideration, Inspirational motivation

Introduction
With the recent surge in management education, a lot is being said and done on how to inculcate the most relevant form of education to instil the right attitude and aptitude in students. Academicians are coming up with more innovative courses and getting doctorates and industry veterans to their B-schools to lecture and guide students. However, there are grave concerns which still remain unaddressed.

Research says (Bennis & O’Toole, 2005) that B-schools have failed to impart useful skills, have failed to prepare leaders and have failed to instil norms of ethical behaviour in students. This implies that students would enter the industry unprepared and somehow manage to survive. Earlier studies (Pfeffer & Fong, 2002) suggest that although academicians are influenced by practitioners, little influence flows from academicians to industry. Ideally, the contribution should have come in the form of path-breaking research and through employable people who bring fresh perspectives of management and leadership to the industry.

Professor Arnoud De Meyer of the Cambridge Judge Business School gives us
some cues into the future of management education. He thinks the best approach for B-Schools to take is to prepare their students to becoming effective managers of change. He was also of the opinion that the future of leadership development will be governed by three key words – collaboration, influencing and adaptation.

Research shows us (‘Where will they lead? MBA Students Attributes about Business and Society’, 2001) that business schools can profoundly affect the value of their students. It says that students enter B-Schools stressing the well-being of employees and customers and leave B-school emphasizing only shareholder value and the salaries they have been offered. The solution lies in not just getting more programs or more leadership labs on board but in measuring the outcomes that are proximately related to the stated mission of leadership development (Pfeffer, 2009).

This paper attempts to take the questions raised into consideration and proposes a holistic leadership philosophy for the students studying in B-Schools today. It looks at the role models the students envision today and tries to find a common string which emerges out of them. It inspects whether this common quality can be linked to the leadership philosophy of transformational leadership which is the need of the hour today. It also talks about how this model can be taught in B-Schools in India to bring about a paradigm shift in leadership.

Role Models

The term role-model first appeared in a Columbia study of the socialization of medical students and became wildly popular. Merton emphasized that instead of having one role, a person has a role set to which is attached a whole role-set of expected behaviour (Holton, 2003).

Research has documented that individual career decisions may be facilitated by role-models (Pleiss & Feldhusen, 1995). Role models provide information about the outcomes related to pursuing a particular career field. Several theorists (Hackett & Byars, 1996) have argued that individuals seek career role models who are similar to themselves. Thus, a role model will be inspirational only to the degree that a person is able to identify with that model. This thought is known as the similarity hypothesis.

Transformational Leadership

James MacGregor Burns (1978) first introduced the concept of transformational leadership. According to him, transformational leadership is a process in which leaders and followers make each other advance to higher levels of morale and motivation. Another researcher, Bernard M. Bass (1985) suggested that a leader is transformational can be measured in terms of the influence he has on his followers. The followers of such leaders feel trust, admiration, loyalty and respect for the leader and they are derived to do more than they expected in the beginning. The leader transforms and motivates followers by charisma, intellectual arousal and individual consideration. In addition, this leader seeks for new working ways, while he tries to identify new opportunities versus threats and tries to get out of the status quo and alter the
environment.

The four factors of transformational leadership (also known as 4 I's) (Bass, 1985) are discussed below –

- **Idealized influence** describes leaders who are exemplary role models for associates. Leaders with idealized influence can be trusted and respected by associates to make good decisions for the organization. As idealized influence reflects the behavioral and the attributional aspects on the part of the followers, this style is divided into 2 sub-dimensions – idealized influence attributed (iia) and idealized influence behavioral (iib).

- **Individualized consideration (ic)** - the degree to which the leader attends to each follower’s needs, acts as a mentor or a coach to the follower and listens to the follower’s concerns and needs. The leader gives empathy and support, keeps an open communication and places challenges before the followers. This also encompasses the need to respect and celebrate the individual contribution that each follower can make to the team. The followers have a will and aspirations for self development and have an intrinsic motivation for their tasks.

- **Inspirational motivation (im)** - the degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. Purpose and meaning provide the energy that drives a group forward.

- **Intellectual stimulation (is)** - the degree, to which the leader challenges assumptions, takes risks and solicits followers’ ideas. Leaders with this trait stimulate and encourage creativity in their followers. They nurture and develop people who think independently. For such leader, learning is a value and unexpected situations are seen as opportunities to learn. The followers ask questions, think deeply about things and figure on better ways to execute their tasks.

As against this, the more conventional form of leadership observed is termed as transactional leadership. It is a term used to classify group leadership theories that inquire the interactions between leaders and followers. A transactional leader focuses more on a series of transactions. The person is interested in looking out for oneself, having exchanged benefits with his/her subordinates and clarifying a sense of duty with rewards and punishments to reach goals (Bass, 1997; Burns, 1978).

Studies have shown (Rejas, Emilio Rodriguez, Delgado, Juan Rodriguez, 2006) that a transactional form of leadership is much more prevalent in organizations as compared to transformational leadership. The study also states that the results of transactional leadership on the followers were negative and those of transformational leadership on the followers were positive.

Findings clearly indicate that organizations latent ly are looking for a change in the style of leadership in which managers operate. However, research also tells us (Pfeffer and
Fong, 2002) that it is practitioners who end up influencing academicians more frequently instead of it being the other way round.

Thus, a similar kind of culture is also prevalent in most B-Schools with the more transactional approach of carrot and stick being used over students and with material goals like placements and packages forming the greatest pursuit of joining a B-School. These call for a major paradigm shift not just in the way students approach B-Schools but also in the way academicians administer B-Schools and imbibe leadership.

**Purpose and Hypothesis**

Building upon the concept of social groups and role models, we already saw how role models influence career decisions of the students (Pleiss & Feldhusen, 1995). It would be interesting to see whether there is a common pattern in the role models, the students look up to today.

The purpose of this study is to examine whether this common stream running across all the role-models of the students is that of transformational leadership. Thus, the hypothesis this research shall be testing is – “The role models of the B-School students today might be in multitudes but the quality which emerges in all of them commonly is that of transformational leadership”.

If the above hypothesis turns out to be true, the study will aim towards translating this quality common to all role models in the students through the medium of B-Schools. The study will talk about ways of translating and crystallizing the concept of transformational leadership at an academic level so that students who graduate from their B-Schools to move on to corporations or Government operate with this different mode of leadership as opposed to the transactional one.

It would be interesting to note whether the role-models of today act like transformational leaders and bring about a significant transformation in the students by raising their moral standards (Bass, 1978) and by creating a sustainable paradigm change.

**Methodology**

As students were clearly the target segment identified, the sample for this primary research was chosen from a reputed B-School in Mumbai. There were totally 83 students considered doing different courses and in different specializations. The age bracket was kept between 20-30 years.

The students were asked to fill in a 30-item questionnaire which asked them various questions about the person they consider as their role-model. The students filled in their responses. However, they were unaware of the fact that this 30-item questionnaire is a measure of the five factors of transformational leadership as devised by Dr. Krishnan (Krishnan, V.R. (2009). Transformational Leadership Questionnaire – Form 9; Chennai, India: Great Lakes Institute of Management). The scale used for measuring was a Likert Scale and the 5 measures of the scale measured the frequency of transformational leadership exhibited as -

5 – Frequently if not always
4- Fairly often
3 – Sometimes
2 – Once in a while
1 – Not at all

Students were also asked to write the name of the role model for more clarity during the analysis of the data. 21 students chose Rohan Athalye.
role-models from Entertainment & Sports, 16 students chose Entrepreneurs as role-models, 34 students chose their family members as role-models, 6 people chose politicians as their role-models and 6 students chose role-models from academic, national and social backgrounds.

Out of the sample, there were 40 male students and 43 female students. There were 50 students from Marketing specialization, 18 students from Human Resource specialization and 15 students from Finance & Operations. The average age of the students was around 25 years and they were studying in the PG, MMS, MHRDM and E-Biz courses of the B-School.

## Results

The results were measured to get the overall analysis, a gender-wise analysis, a role-model category analysis and a specialization-wise analysis. Below are the results of the same –

### Overall Measures

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<td>Frequently if not always</td>
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<td>46</td>
<td>29</td>
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<tr>
<td>Fairly Often</td>
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<td>Once in a while</td>
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The above numbers are in % form

Idealized influence (attributed and behavioral) and Inspirational Motivation clearly stand out as being the parameters perceived strongly in role-models by students. Intellectual stimulation and individual consideration are also perceived but not ‘Frequently’ but ‘Fairly Often’.

### Male Students

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<tr>
<td>Fairly Often</td>
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The above numbers are in % form

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<tr>
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<td>41</td>
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<td>36</td>
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<td>Sometimes</td>
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The above numbers are in % form

The figures clearly indicate that gender does not play a major role in the way students rate their role models on transformational leadership parameters. Idealized influence – attributed (charisma) featured in higher frequency while individual consideration and intellectual stimulation comparatively featured in lower frequency.

### Role models in Entertainment & Sports

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<tr>
<td>Fairly Often</td>
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Students who chose their role-models from Entertainment & Sports follow a similar trend with idealized influence behavior more frequently exhibited followed by inspirational motivation. Intellectual stimulation and individual consideration are moderate in their frequency.
Role models as Entrepreneurs

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<tr>
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<td>64</td>
<td>47</td>
<td>14</td>
<td>50</td>
<td>34</td>
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<tr>
<td>Fairly Often</td>
<td>30</td>
<td>34</td>
<td>44</td>
<td>36</td>
<td>41</td>
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<td>Once in a while</td>
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The above numbers are in % form

Idealized influence – attributed (charismatic personality) clearly dominates the frequency chart followed by inspirational motivation.

Role models as Family Members

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The above numbers are in % form

Here, besides idealized influence, all other traits of transformational leadership are perceived as being exhibited fairly often but not frequently. Idealized influence is perceived to be exhibited frequently.

Role models as politicians

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The above numbers are in % form

Idealized influence – attributed scores the maximum frequency followed by inspirational motivation. All the other parameters also were found to have a good frequency thus featuring in the bracket of ‘Fairly Often’ if not ‘Frequently’.

Miscellaneous

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<tr>
<td>Once in a while</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Not at all</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The above numbers are in % form

It is noteworthy that individual consideration has been perceived as being the most frequent (58 %) followed by idealized influence – behavior (56 %). Intellectual stimulation is moderate whereas inspirational motivation is exhibited fairly often but not frequently.

Students from Marketing Specialization

<table>
<thead>
<tr>
<th>TL Parameters</th>
<th>iia</th>
<th>iib</th>
<th>ic</th>
<th>im</th>
<th>is</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently if not always</td>
<td>59</td>
<td>46</td>
<td>30</td>
<td>33</td>
<td>48</td>
</tr>
<tr>
<td>Fairly Often</td>
<td>29</td>
<td>39</td>
<td>39</td>
<td>47</td>
<td>37</td>
</tr>
<tr>
<td>Sometimes</td>
<td>11</td>
<td>11</td>
<td>20</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Once in a while</td>
<td>1</td>
<td>3</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Not at all</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The above numbers are in % form

For marketing students, idealized influence (attributed and behavioral) and intellectual stimulation were perceived more frequently in their respective role models. Surprisingly, inspirational motivation was not perceived very frequently.

Students from HR Specialization

<table>
<thead>
<tr>
<th>TL Parameters</th>
<th>iia</th>
<th>iib</th>
<th>ic</th>
<th>im</th>
<th>is</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently if not always</td>
<td>46</td>
<td>46</td>
<td>31</td>
<td>41</td>
<td>23</td>
</tr>
<tr>
<td>Fairly Often</td>
<td>41</td>
<td>39</td>
<td>39</td>
<td>43</td>
<td>46</td>
</tr>
<tr>
<td>Sometimes</td>
<td>13</td>
<td>14</td>
<td>23</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>Once in a while</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Not at all</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The above numbers are in % form
For HR students, idealized influence (attributed and behavioral) and inspirational motivation were perceived to be more frequent in their role models. Comparatively, the other two parameters were perceived to be exhibited fairly often.

<table>
<thead>
<tr>
<th>Students from Finance and Operations Specialization</th>
<th>iia</th>
<th>iib</th>
<th>ic</th>
<th>im</th>
<th>is</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently if not always</td>
<td>57</td>
<td>47</td>
<td>23</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td>Fairly Often</td>
<td>35</td>
<td>33</td>
<td>43</td>
<td>38</td>
<td>44</td>
</tr>
<tr>
<td>Sometimes</td>
<td>4</td>
<td>17</td>
<td>21</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Once in a while</td>
<td>3</td>
<td>2</td>
<td>12</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Not at all</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

The above numbers are in % form

No significant trend was being observed other than idealized influence being the most dominant parameter perceived. Also, it is interesting to note that both Individual consideration and Intellectual stimulation were perceived to exist fairly often.

Discussion

The results and trends we have observed certainly have significant meaning to them. While we have observed that transformational leadership does emerge as a quality out of the role models of the students, it is evidently clear that not all four parameters of transformational leadership are perceived at an equivalent frequency.

Idealized influence (attributed) stood out as being perceived the most frequently followed by idealized influence (behavior) and inspirational motivation. This can be attributed to the fact that charisma would act as an initial factor for influence. Around 60% of the sample size chose role-models whom they might not have personally interacted with. This explains why idealized influence-attributed was more frequently perceived than idealized influence-behavior. The fact that inspirational motivation was also perceived frequently indicates that despite the multitudes of role-models, they are in some way or the other motivating the students. As per research (Pleiss & Feldhusen, 1995), this motivation might be induced to become like them either by choosing a similar career or by following a similar approach in one’s career.

Individual consideration and intellectual stimulation have got an overall comparatively moderate response. However, they are relatively higher for marketing students and also for students who have chosen national/social/educational role-models. This is a positive sign which indicates that social leaders, teachers and national patriots have an ability to intellectually stimulate the students and also be mentors to them in order to value each one’s individuality. Marketing students tend to choose role-models who can intellectually stimulate them. It might be interesting to inquire whether their intellectual quest is more prone to challenging stimuli.

The way male and female students perceived their role-models on the scales of transformational leadership was almost identical. This implies that we need not design gender-specific modules of leadership for students.

There was a similar trend observed in the way in which role-models in politics and entrepreneurs were perceived. They were perceived to have idealized influence as well as inspirational motivation. The reasons can be attributed to both having a central role to play, both catering to a vision and both operating in grand settings and addressing to mass followers. Similar numbers were also
observed for role-models in entertainment and sports but not to that extent.

Out of the sample, 40% chose role-models who were either their parents or other members of their family. This has important cultural implications and clearly suggests the critical part a family can play in an Indian setting. Idealized influence came out as being perceived frequently where as the other parameters were in the bracket of being perceived fairly often. This suggests that while the students may have role-models in the family, the influence is primarily that of charisma and might extend to a duplication of the behaviour of the role model.

There are no significant trends in the way HR, Operations and Finance students perceive role models on a transformational leadership scale. However, they both show slightly lower frequency scores in perceiving their role models with respect to intellectual stimulation. This might be due to the fact that most of their role-models were people from the family. On the contrary, marketing people chose role-models from business, entertainment, politics and others more frequently.

This study indicates that the nature of the role-model influences the way in which he will be perceived on the scale of transformational leadership. However, positively it also shows that transformational leadership does emerge as a common factor in the role-models of today with a marginally varying frequency.

Another interesting facet lies in the way specialization plays an important role in the relationship. While the definitions of leadership may not vary for students in different specializations, it indicates that they certainly have varying minds and different priorities when it comes to choosing of role-models which in turn affect their leadership choices. Thus, one may need to package leadership programs differently for people in different specializations.

Overall, the study showed us that of the role models today, the two parameters of transformational leadership to emerge strongly are – idealized influence and inspirational motivation. Intellectual stimulation was found to be slightly lower and individual consideration had comparatively the lowest frequency of the four. However, it was found to be higher for role-models in education, family members and role-models in politics. It was also found higher than intellectual stimulation when perceived by HR students.

**Limitations of the Study**

There are some limitations to this study. The foremost being the study was conducted only in one B-School. It could have been laterally carried out in many management schools to enrich the sample size.

Secondly, most chose role-models whom they didn’t personally know. Thus, while filling up the questionnaire for transformational leadership, some responses might have been assumed and not witnessed personally.

Thirdly, the similarity hypothesis told us that role-models can only influence a person till the person perceives a degree of similarity with the role-model. This will always leave a grey area for researchers who want a conclusive proof on the influential ability of role-models. Another limitation lies in the fact that transformational leadership might not be the only deciding factor for a person to select a role-model. Further research is possible in these areas.
Implications of the Study

The study clearly indicates a modular change in the way leadership can be exercised – from transactional to transformational. This change can be brought about naturally without much influx as traits of transformational leadership were seen in the role-models of students albeit in varying degree.

Research has proved (Hackett & Byars, 1996) that role-models influence career decisions and affect their followers subconsciously. However, this study proves that they are also capable of taking their followers to higher levels of motivation and morality.

The fact that a person chooses his/her role model implies that the students today subconsciously choose role-models who would take them to higher levels of motivation and morality. It also shows us that the students want to be influenced in a positive way. This study also showcases the influence a family can play in influencing the mind of a student and it subtly implies that the first lessons of leadership in India should ideally begin at home.

A positive finding which emerged was that educators who were role-models were more likely to be perceived as transformational leaders. B-Schools need to note that the leadership approach can be completely reversed not just by changing the curriculum or designing transformational leadership programs but also in the way they approach students in their day-to-day interactions. If the academicians today can imbibe the four parameters of transformational leadership, they will not just be able to teach the subject in a better way but in turn are more likely to become role-models of the students and influence them positively.

The actions of role-models are duplicated by their followers. If we can bring about a similar trend in B-Schools, we will have teachers who are prime examples of transformational leaders acting as role-models to today’s students. In turn, the students will be positively influenced and will not just follow but with his natural urge to replicate will start walking the path of a transformational leader himself.

With the teacher as a transformational leader and the student as a transformational leader in the making, students would in true sense be able to influence the transactional leadership styles predominantly existing in the corporate world and bring about a paradigm change in the legacy of leadership.

References


5. Liliana Pedraja-Rejas, Emilio Rodriguez...


Study of Using Learning Management System in a Management Course

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Seema Purohit is Director, NM Institute of Technology and Development, Dadar, Mumbai. supurohit@gmail.com

Abstract
As educational technology becomes more prevalent in management education, teaching is no longer restricted to face-to-face instruction. The purpose of this study is to use a Learning Management System (LMS) in a management course and study its effectiveness in improving the learning and teaching process from teachers’ and students’ perspective. Traditional instructional activities such as presenting information, managing course materials, and collecting and evaluating student work was done using Moodle, an LMS, for one course at a management institute in Mumbai. A questionnaire-based survey was conducted on the students and teachers of that course, and their feedback was analyzed. The analysis showed that the effect of Moodle on the classroom was positive. The participants felt that it provides them a lot of convenience and saved their time, though it did not help in the overall learning process. This paper would be useful in making effective use of Information and Communication Technologies (ICT) in management education, especially for courses where participants are not technically very skilled.

Keywords: ICT, LMS, Management education

Introduction
As educational technology becomes more prevalent in management education, teaching is no longer restricted to face-to-face instruction. E-learning is learning during which students get their study materials through electronic media (the internet, intranet, extranet, satellites, audio/video equipment & CDs. The learning becomes easily accessible to students who could not attend classical lectures because of the distance or other daily duties (work and private — family responsibilities). Because of ICT (e-) study becomes more time and space flexible than traditional study. The combination of e-learning and face-to-face teaching increases accessibility, flexibility, and choices for interactivity (Rosenberg, 2001). This leap in instructional productivity can be accomplished with a Learning Management System. The term Learning Management System (LMS) refers to an integrated set of networked, computerized tools that support online learning. Traditional instructional activities such as presenting information, managing course materials, and collecting and evaluating student work can be completed online using an LMS (Yueh H & Hsu S, 2008). An LMS provides
an array of tools and functions to support teaching and learning, usually including course management tools, online group chat and discussion, homework collections and grading, and course evaluation.

Moodle is an open source LMS, based on sound pedagogical principles, which was mostly developed in academic context. It is open to registered users and offers many different functions, ranging from course management to monitoring students’ activities; it can be used as a repository for course material, but it also offers the possibility to develop forums, wikis, quizzes, surveys and other interactive in-built activities, without any need for particular computer skills. The main advantage of such an environment is that it is self-contained and all the above described functions are seamlessly integrated on the same platform, thus creating the feeling of being in a classroom – though a virtual one (Fontanin M, 2008).

This paper considers the use of Moodle in management education, in particular feedback on the use of course management and evaluation features. This way, the use of the extended technological environment was studied to see if there was any improvement in the teaching and learning process. Moodle is not the only LMS available nowadays; many others could have been used, both open source (such as ETutor, Claroline, eFront and so on) and commercially developed (such as Blackboard, eCollege, Learn.com etc.); in this specific situation no evaluation survey was done prior to the adoption of Moodle. Basically, it was used because it was already available and it presented the needed features. Yet the tool proved, along the course, to be well designed to meet the requirements of such a learning experience. The fact that it has its roots in an academic context and that it is supported by a dynamic community, made it easier to use. Nevertheless, all of its activities were not used in this study.

**Objectives**

The objectives of the study are the following:

1. To study the effectiveness of Moodle in improving the learning and teaching process from the teachers’ and students’ perspective.

2. To recommend how to use the LMS so as to be an effective medium of imparting education in a management institution.

**Methodology**

The study was conducted for one full-time course in a management institute in a metro city. The moodle software was installed on the institution’s server. The course chosen was Pharmaceutical Management. User IDs were created for all the students and faulty members of these courses. Demonstrations were given to all the participants to make them familiar with the software and its features. Presentations on how to use the important features of the software were made and circulated among the teachers through e-mail. Once the participants gained confidence, the course management part and the evaluation part (assignments and quizzes) were done through Moodle.

A questionnaire based survey was done to get the feedback of the participants. All the
students of the class and associated teachers were given the questionnaire. Statistical analysis was done on the responses to understand the effectiveness of using LMS and how it could improve the learning and teaching process.

**Literature Review**

Within the e-learning literature, it is possible to observe authors using a number of alternative terms for LMSs. Amongst the most popular such labels are Content Management System (CMS) (McConachie, Luck, & Jones, 2005) and Virtual Learning Environment (VLE) (Dyson & Campello, 2003). CMSs are defined as software packages that provide Web-based tools, services, and resources to support teaching and learning processes for both online and blended delivery. They are software tools for communication, student assessment, presentation of study material, and organization of student activities. CMSs have gone from small tools used by supposedly quirky staff members to dominant elements of higher education’s information technology capability in less than a decade (Katz, 2003). Paulsen (2002) perceives e-learning to consist of a chain of four systems: content creation tools; course management systems; student management systems; and accounting systems. Other authors have identified additional system types or used alternative labels such as Learning Content Management Systems (LCMS), Enterprise Resource Planning (ERP) systems, and Managed Learning Environments (MLE).

LMS, especially those that are Internet- and Web-based, have matured during the past decade and have been used to support a variety of learning formats, including face-to-face learning, distance learning, and hybrid/blended learning (Connolly et al. 2007; Conrey and Smith 2007; DeNeui and Dodge 2006; El Mansour and Mupinga 2007; Vaughan 2007). Scholars have researched the perspectives of the administrators and policy makers (Amrein-Beardsley et al. 2007; Lofstrom and Nevgi 2007; Romm and Ragowsky 2001), the instructors (Amiel & Orey 2007; Mumtaz 2000), the students (Yi & Hwang 2003), or all of them (Vaughan 2007). Among the many research interests and efforts, are pedagogy issues in technology assisted learning (Zhang 1998b), technology assisted learning outcome assessments (Connolly et al. 2007; DeNeui & Dodge 2006; Webster & Ho 1997; Yi and Hwang 2003) and evaluations of learning management systems (Chang 2001; Sturgess and Nouwens 2004), among others. The studies that considered students’ perspectives can be summarized to contain the following elements: the learning format or delivery modes, the technology used, and the effects on either the learning process or the learning outcome. Delivery modes can be (1) the classroom mode that is time and space bound where face-to-face is the main interaction method among class participants, (2) the online mode where students and instructors do not co-locate in time or space, interacting virtually via an LMS that is available 24 hours a day (for example, Alavi et al. 1997; Amiel and Orey 2007), and (3) a blended (or hybrid) mode that combines classroom and online modes, where interactions occur both face-to-face and through LMS (for example, DeNeui & Dodge 2006; El Mansour and
Mupinga 2007; Lofstrom & Nevgi 2007; Morss 1999). Technologies deployed in existing studies were of various natures and capabilities such as the Blackboard and/or WebCT systems, video conferencing, multi-user synchronous systems with streaming of data and voice, among others.

Learning outcomes, such as performance and satisfaction, have been popular subjects of study. Bongey, Cizadlo & Kalnback tested whether there was significant improvement of test scores by the students over one semester due to the use of WebCT (Bongey et al. 2005). Connolly et. al. found that online students have consistently performed better than the part-time face-to-face students (Connolly et al. 2007). DeNeui and Dodge found a correlation between Blackboard usage and high scores (DeNeui & Dodge 2006). On the other hand, Mentzer and others found that learning outcomes do not differ much between Web-based and face-to-face environments, but in contrast, satisfaction can be lower in the Web-based environment (Mentzer et al. 2007). It was found that various factors could be associated with learning outcomes, including reliability of technology, quality of technology, richness of the medium, interactive teaching style of instructor, instructor’s control over technology, and positive attitude toward technology (Webster & Ho 1997). Among the studies that examined the learning processes, Alavi, Yoo, and Vogel found that face-to-face instructions lead to a positive learning experience, which might be the result of rich communication and social presence (Alavi et al. 1997). They did not find any significant effect of time and location on the learning process. They also came to the conclusion that students have a high degree of tolerance to technical glitches if these are turned into learning opportunities (Alavi et al. 1997). In other studies, students reported isolation, loneliness and the lack of practical ICT usability as the main obstacles to learning (Lofstrom & Nevgi 2007; Mentzer et al. 2007). Technology hiccups and feeling lost in cyberspace were some negative experiences in the learning process (El Mansour & Mupinga 2007).

**Analysis and Interpretation**

In analyzing the survey data, we are aware of some limitations. The survey had been intended as a kind of ‘pretest,’ with a follow-up survey to be administered after Moodle has become more firmly established at the institute. Consequently, the survey was administered at a time when most respondents had only a little experience of using Moodle.

The questionnaire was given to 64 respondents. 61 filled questionnaires were received. The questionnaire had 10 questions. First 3 questions were related to the demographic details of the respondent. The remaining questions asked them about their experience of using Moodle.

The following questions were asked to get answers to objective 1.

“Which of the following benefits from using Moodle in your classes was the most valuable?”

“What are the barriers for you to use Moodle in your class work?”

“What are your goals when using Moodle?”
“Why do you use Moodle?”
“What do students get out of Moodle?”
“How much do you value Moodle as a beneficial educational tool?”
“In general, Moodle use has a __________ effect on the classroom”

Analysis of the responses of each question is done below to get the answers to objective 2.

Table 1 summarizes the responses to Question 4: “Which of the following benefits from using Moodle in your classes was the most valuable?”

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved my learning</td>
<td>7</td>
<td>7.8</td>
</tr>
<tr>
<td>Saved me time</td>
<td>32</td>
<td>35.6</td>
</tr>
<tr>
<td>Convenience</td>
<td>37</td>
<td>41.1</td>
</tr>
<tr>
<td>Helped me manage my class activities</td>
<td>9</td>
<td>10.0</td>
</tr>
<tr>
<td>No benefit</td>
<td>5</td>
<td>5.6</td>
</tr>
</tbody>
</table>

The survey shows that only about 8% of the respondents felt that Moodle helped in improving their learning, whereas nearly 40% felt that it saved time and provided convenience in the learning process. Only about 6% of the respondents did not find any benefit of using Moodle. Also, just about 10% of the respondents felt that it helped in managing the class activities. Some more benefits of using moodle, as found by the respondents, are - it helped in scoring and it was a good way of conducting tests. Overall, the results in this table show that even though the respondents enjoyed using moodle but they do not feel that it improved the learning process. This could be because moodle was not used extensively in the course. All of its features were not used and it was not customized for the requirements of the institute/course.

Table 2 summarizes the responses to Question 5: “What are the barriers for you to use Moodle in your class work?”

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It feels like extra work with little connection with your course</td>
<td>12</td>
<td>21.4</td>
</tr>
<tr>
<td>I don’t have necessary skills</td>
<td>4</td>
<td>7.1</td>
</tr>
<tr>
<td>I do not enjoy using technology</td>
<td>3</td>
<td>5.4</td>
</tr>
<tr>
<td>I don’t have the technical support I need</td>
<td>6</td>
<td>10.7</td>
</tr>
<tr>
<td>It is too expensive</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>There are no barriers</td>
<td>31</td>
<td>55.4</td>
</tr>
</tbody>
</table>

The survey shows that more than 50% of the respondents did not find any barrier in using the software. About 21% of the respondents felt that Moodle was an extra work with no connection to the course. This is because there was nothing in the course that could not have been done without using moodle. If the software has to have wider acceptance, then it would have to be customized as per the course’s requirements. It needs to have some specific learning activities that are possible only through it and not otherwise. About 11% felt that they needed more technical support whereas about 13% felt that they do not have the necessary technical skills or do not enjoy using technology. Other issues in using moodle as felt by the respondents were connectivity issues and data feeding. Overall, the results in this table show that
still about 50% of the respondents are not comfortable with using the software. More efforts need to be put in to make participants comfortable with technology.

Table 3 summarizes the responses to Question 6: “What are your goals when using Moodle?”

Table 4 summarizes the responses to Question 7: “Why do you use Moodle?”

Table 5 summarizes the responses to Question 8: “What do students get out of Moodle?”

Table 3

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student collaboration</td>
<td>8</td>
<td>9.0</td>
</tr>
<tr>
<td>Disseminate information (for teacher only)</td>
<td>4</td>
<td>4.5</td>
</tr>
<tr>
<td>Submit information, reaction or opinions</td>
<td>20</td>
<td>22.5</td>
</tr>
<tr>
<td>Learn through technology</td>
<td>33</td>
<td>37.1</td>
</tr>
<tr>
<td>Problem solving skills</td>
<td>8</td>
<td>9.0</td>
</tr>
<tr>
<td>Learn communication skills</td>
<td>7</td>
<td>7.9</td>
</tr>
<tr>
<td>Learn IT</td>
<td>9</td>
<td>10.1</td>
</tr>
</tbody>
</table>

Table 4

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required by department/course</td>
<td>22</td>
<td>23.9</td>
</tr>
<tr>
<td>I am comfortable with technology</td>
<td>16</td>
<td>17.4</td>
</tr>
<tr>
<td>Desire to use this technology</td>
<td>11</td>
<td>12.0</td>
</tr>
<tr>
<td>Everyone else is using</td>
<td>8</td>
<td>8.7</td>
</tr>
<tr>
<td>I am interested in it</td>
<td>10</td>
<td>10.9</td>
</tr>
<tr>
<td>Serve’s my need</td>
<td>16</td>
<td>17.4</td>
</tr>
<tr>
<td>Increases motivation</td>
<td>9</td>
<td>9.8</td>
</tr>
</tbody>
</table>

Table 5

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fun</td>
<td>6</td>
<td>7.0</td>
</tr>
<tr>
<td>Learn how to use technology</td>
<td>19</td>
<td>22.1</td>
</tr>
<tr>
<td>Helps learner autonomy</td>
<td>8</td>
<td>9.3</td>
</tr>
<tr>
<td>Student centered class</td>
<td>8</td>
<td>9.3</td>
</tr>
<tr>
<td>Technology centered class</td>
<td>17</td>
<td>19.8</td>
</tr>
<tr>
<td>Facilitates active learning</td>
<td>14</td>
<td>16.3</td>
</tr>
<tr>
<td>Increased interaction</td>
<td>14</td>
<td>16.3</td>
</tr>
</tbody>
</table>

Results from table 3 show that nearly 37% of the respondents’ goal of using Moodle was getting to learn through technology. 22% respondents wanted to submit information, reaction or opinions through it. About 10% felt that they would get to learn IT by using Moodle. About 17% felt that their problem solving skills and communication skills would improve if they use Moodle and about 9% used Moodle for student collaboration.

Similarly, from table 4 it can be seen that about 33% of the respondents used Moodle because either it was a requirement of the course/department or everyone else was using it. They did not have their own motivation to use it. About 30% used it because either they were comfortable with technology or they had a desire to learn technology. Only about 38% of the respondents had their own motivation to use Moodle. They felt that they were interested in it, it served their purpose and it increased motivation.

Table 5 shows that only 18% of the respondents believe that using Moodle would result in a student centered class and learner autonomy, whereas 20% believe that it would give a technology centered class. 22% respondents believe that using Moodle, students would get to learn how to technology whereas only 16% believe that
it facilitates active learning. Another remark obtained on Moodle’s use was that it would help in getting all the presentations at one place for the student. This shows that it is being looked upon as a tool to distribute knowledge and information.

The results of all these tables show that the focus on learning and using technology was more while using the software. It was not taken as a tool to enhance and ease the learning and teaching process. This could be because of low familiarity of the participants with the software and its features.

Table 6 summarizes the responses to Question 9: “How much do you value Moodle as a beneficial educational tool?”

Table 7 summarizes the responses to Question 10: “In general, Moodle use has a __________ effect on the classroom”

<table>
<thead>
<tr>
<th>Table 6</th>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not much</td>
<td>3</td>
<td></td>
<td>4.9</td>
</tr>
<tr>
<td>Average</td>
<td>36</td>
<td></td>
<td>59.0</td>
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<tr>
<td>Above average</td>
<td>11</td>
<td></td>
<td>18.0</td>
</tr>
<tr>
<td>A lot</td>
<td>11</td>
<td></td>
<td>18.0</td>
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</table>

<table>
<thead>
<tr>
<th>Table 7</th>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>39</td>
<td></td>
<td>63.9</td>
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<tr>
<td>Neutral</td>
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<td>32.8</td>
</tr>
<tr>
<td>Negative</td>
<td>2</td>
<td></td>
<td>3.3</td>
</tr>
</tbody>
</table>

Table 6 and 7 show the overall satisfaction levels of the participants with the software. Nearly 60% of the participants found that the software was above average in terms of a “beneficial educational tool”. About 36% felt it was either above average or a lot valuable. Only about 5% felt that it was not a beneficial tool.

Similarly, about 64% had a positive feedback for Moodle. About 33% had a neutral feedback and 3% had a negative feedback about Moodle.

Some other remarks that were obtained on Moodle are as follows:

“This is a very good technology, please make it compulsory and mandatory, so that all people use it effectively”, “Make it more user-friendly and remove the loopholes from it”, “It is useful and necessary”, “Need more technical-support to use it”, “Add more features to it”, “It is good but not necessarily required for the course”, “Increase system security”, “Convenient for taking tests and sharing study material”, “Take all tests on Moodle only”, “Usage has not got wide acceptance from students due to drawbacks of typing speed and using interfaces”, “Create more awareness for wider acceptance”

Conclusions

Summarizing the results from the various tables, it can be said that, majority of the respondents felt that the most valuable benefit that Moodle provided was that it saved their time and it provided them convenience. Some felt that it was a good way of conducting tests and also helped them score better. Most of the respondents felt that there was no barrier in using Moodle. Still quite a few felt that it was extra work with little connection with their course. Some of them found connectivity issue and the network speed as the barrier to use Moodle. Quite a few respondents said that they used Moodle because it was a requirement by the department or course, whereas a good number also said that they
used it because they were comfortable with technology. Majority of the respondents felt that they would get to learn technology and a technology-oriented class when they use moodle. Overall, the effect of Moodle on the classroom was positive and majority valued moodle as a beneficial educational tool.

Further, the software should be customized to suit the requirements of the institute and more features should be added to it. It should be made mandatory to use the software on a regular basis to increase its acceptance by the stakeholders of management education. To further enhance the experience, more efforts from the implementers side needs to be done in terms of providing the technical support and creating awareness about its use and benefits.

References:


Solid Waste Management-A Model Study

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Abstract
The study was undertaken to understand what role, if any, the private sector is playing in waste management and whether such a model can be easily replicated by other private players. The study area selected was the Inorbit Mall in Vashi, Navi Mumbai. The data collected was by means of unstructured questionnaire. It was found that a pivotal role in waste management has been initiated by the InOrbit Mall to manage the organic waste generated at the food courts and other eateries, by setting up an Organic Waste Converter (OCM) plant in its premises to produce manure from the wet waste collected daily from the Food Court. The researcher feels that this quick method of compost production should be replicated by other malls and organizations in Navi Mumbai, which would help keep the waste generated in Navi Mumbai under check and at the same time provide earnings for self respecting destitute women.

Introduction
Rapid urbanization and industrialization combined with increasing population has resulted in the generation of large volumes of waste- solid, liquid and gas. Any substance for which no use can be found by the organism or system that produces it and for which a method of disposal must be devised is called waste. The proper and scientific disposal of waste is emerging as a major problem in this world today. Waste originates from Domestic sources, Industrial and Commercial sources, Bio-medical sources, Animal sources, Agriculture sources, Nuclear sources and Mineral sources.

Solid waste includes Municipal waste, Hazardous waste, Biomedical waste and E-waste. Solid waste both Biodegradable and Non Biodegradable, originates from various sources and the nature of the waste, quantity and time taken to decompose poses a serious threat to the environment and human health. Untreated municipal and domestic solid wastes consist of various micro-organisms like bacteria, algae and viruses. Discharge of untreated or partially treated sewage into any water body or
land fill area can lead to depletion in the oxygen content, produce algal growth leading to algal ‘blooms’ in water, or lead to contamination of the land fill areas finally resulting in an outbreak of diseases.

Processing of Municipal waste before landfill is crucial. The quantum of Municipal waste is increasing rapidly and getting new landfill sites are becoming extremely difficult. The common practice of land filling un-processed waste has to be stopped immediately. A number of urban local bodies, big and small, in Maharashtra have made efforts to process the solid waste before sending for landfill. Out of these some cities have assigned the work of processing to a private operator (like Akola, Amravati, Phaltan, Ashta, Islampur), others are doing processing through NGOs (eg. Kalyan, Matheran, Kagal) and few are operating and managing the processing on their own (eg. Nashik, Kamptee, Chalisgaon, Shirpur).

The involvement of the private sector in this activity is seen to be the key to its success.

Many smaller municipal bodies have initiated the processing of the solid waste generated in their respective cities by adopting low cost methods. Simpler technologies like vermi composting, biotechnology and even bio-gas plants seem to have a definite edge over complex technologies. Also, small decentralized and multiple plants for processing of waste appear to be more desirable than one large facility for a big city.

The Municipal bodies that have left the sale of compost/ other produce to the private sector are also seem to be significantly more successful in selling the produce.

**Nature and Scope of study**

From secondary literature the researcher found several initiatives of different municipal corporations for solid waste management. However, private sector while generating wastes seems to have left the job of disposal of solid wastes to governmental organizations. The malls, hotels, restaurants, hospitals, marriage halls, vegetable markets produce significant amount of solid waste on a daily basis.

Research reveals that for effective solid waste management the processing needs to be carried out as close to its source as possible to save in transportation cost, reduce efforts of locating newer landfills and ensuring quick processing of waste. This means that areas which generate waste must find cost effective, quick and easy means of waste management to reduce the burden of municipal corporations.

The study was undertaken to understand what role if any the private sector is playing in waste management and whether such a model can be easily replicated by other private players.

The study was restricted to the area of Navi Mumbai. Navi Mumbai is a beautiful planned city developed in 1972, as a twin city of Mumbai. It is situated 29 km from Mumbai and just 3 km away from Thane. It is the largest planned city in the world with an area of approximately 344 km sq and has a population of 2,600,000. Considering Navi Mumbai’s strategic location and increasing population, one can estimate the amount of solid waste generated in Vashi, one of the biggest nodes of Navi Mumbai.
The scope of this study was restricted to the bio-degradable solid waste management carried out in Navi Mumbai, as this type of waste requires special treatment and quick disposal methods.

**Sample Study**

The study area selected was the Inorbit Mall in Vashi, Navi Mumbai. On the basis of information gathered from the newspaper articles and the internet it was chosen as the sample case study.

A pivotal role in waste management has been initiated by the InOrbit Mall to manage the organic waste generated at the food courts and other eateries, by setting up an Organic Waste Converter (OCM) plant in its premises to produce manure from the wet waste collected daily from the Food Court. The malls management has collaborated with an organization called the ‘Stree Mukti Sangathan’ for manure production to be used for the various gardening activities and for sale.

**Stree Mukti Sangathan Compost Facilities in Kalyan Dombivali:**

Kalyan Dombivali Municipal Corporation (KDMC) in April 2002 took an initiative to directly process large quantity of biodegradable waste produced in the city by involving non-government organization called Stree Mukti Sangathan for a period of two years. The Municipal Corporation has provided the site to the NGO on a rent-free basis and a sum of Rs 1 lakh was given as advance to the NGO for procurement of equipments and wages on refundable basis.

The vehicles of the Corporation bring biodegradable waste to the processing sites and the workers appointed by the NGO process the waste to produce compost. Approximately 600kg of compost is produced per day without any cost to the Corporation. Nearly 23 MT of solid waste is processed daily at three composting sites viz - Adharwadi landfill premises (20 MT processed), Telkoswadi (2 MT), Bhaji market Dombivali (1 MT). The practice not only results in lesser garbage on the landfill site but also provides earning to the local poor.

The biodegradable waste from the vegetable markets, the hotels and marriage halls is collected separately and taken directly to the composting sites. No machinery is used for composting process. The NGO has appointed 3-4 workers - one male and three female - on the site. The labor segregates plastics and other non-biodegradable material from the waste. They spray a culture and water on biodegradable waste. After the compost is prepared, it is sieved and packed in 40kg bags to be sold in the market from which it recovers the cost of processing. Thus the Corporation could manage almost 40MT of biodegradable waste per day by transporting this waste to two sites allotted to the NGO for processing the waste.

The Corporation has been able to devise a system where large quantity of biodegradable waste produced in the city (hotels, vegetable markets, marriage halls, etc.) is directly taken to processing site. This drastically reduces the burden of segregation of such waste and results into useful material with less investment. By giving the task of processing to the NGO,

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Rita Basu
the Municipal Corporation has reduced its responsibility to monitor the plant. All the day-to-day work is done by the NGO. The practice has resulted in compliance of the Solid Waste (Management & Handling) Rules. There is substantial employment generation for the local poor in the city. The municipal corporation does not get involved in the sale of the compost prepared out of the waste. This being the property of the NGO ensures that the quality of the compost is maintained to suit the market requirements. It also provides an earning opportunity to the poor.

**Objective of the Study**

This paper is a report on Solid Waste Management with the following objectives:

1. To study a model for private sector initiative in the private sector and to understand the underlying reasons for the success of the model.

2. To suggest means to replicate this model in other places in Navi Mumbai.

**Data Collection**

The data collected was by means of unstructured questionnaire. The questionnaire was administered through in-depth personal interviews with the authorities of the mall and members of the Stree Mukti Sangathan.

An attempt has been made to comprehend the Organic waste treatment process carried out at Inorbit Mall, Vashi and to suggest improvements and to try and replicate this model in other public places in Navi Mumbai.

**Findings**

In the course of the study it was found that approximately 735 bags of wet garbage are generated daily by the kiosks selling food at the food court located in the mall. This biodegradable garbage is collected in big black plastic bags, 100 microns thick and stored in a refrigerated storeroom. The temperature of the storeroom is maintained at a constant 3/4 degrees Celsius to minimize decaying of the organic waste and its ensuing odor. The actual activity of composting the biodegradable waste has been outsourced to the Stree Mukti Sangathan who now weighs and removes the bags from the godown with the help of trolleys.

The contents of the bags are further segregated from the soggy material within and the contents of nearly 30 bags or 200 kgs. of organic waste are treated at one time in a machine called the Organic Waste Centre Converter. When the wet organic waste is put into the converter, saw dust is also added along with a capful of indigenously produced liquid called Jeevika. After 10 minutes of churning in the machine, the mixture is collected in plastic baskets and placed on metal racks to mature for 8 days. Water sprinklers attached to the metal racks are used to sprinkle water on the baskets containing the compost 10 to 12 times in a day. After 8 days the mature compost is taken out from the baskets, packed in bags and sold by the members of the Stree Mukti Sangathan. The compost prepared in one week can be used for 2000 trees!
**Conclusion**

This particular method of preparation of organic compost with the help of a machine was observed to be a quick, efficient, clean and an apt method to reduce the organic waste being generated everyday at the mall.

**Recommendations**

The shed where the composting was taking place could be made bigger with another machine deployed to cater to more organic compost production.

The researcher feels that this quick method of compost production should be replicated by other malls and organizations in Navi Mumbai, which would help keep the waste generated in Navi Mumbai under check and at the same time provide earnings for self respecting destitute women.

Private partnership in sold waste management is essential to keep our cities cleaner. As seen the sale of compost can nullify the cost of processing. This should serve as a big incentive for private partnership as the solid waste management system will not be a economic burden to the private players. Also by outsourcing the system the private sector can fulfill its corporate social responsibility by generating employment for NGOs.

**References:**


Governance and Institutions?
A Heuristic Inquiry

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Abstract
Governance or the exercise of the Rule of Law is an imperative of human politico-administrative history as well as lineage. The process of rule ought to be perceived both as the proper as well as the due passage of an authority that is lawful. This paper interrogates the modalities and probabilities of reconciling India’s dynamic strategies of sustainable Governance with the Country’s new avatar as an evolving actor in the global market.

Introduction
Governance or the exercise of the Rule of Law is an imperative of human politico-administrative history as well as lineage. Politically organized men have nearly always been preoccupied with Governance and administrative order to build a just and humane society. Governance (or even “intended” Governance) - therefore - is somewhat identical to justice as a primary human (or else civil societal) concern. The efficacy of human institutions is usually measured in terms of Governance ie whether these agencies of formalized / institutionalized interaction have been able to perform in a utilitarian manner by cohering a rational societal and political order.

Inquiry
This paper interrogates the modalities and probabilities of reconciling India’s dynamic (?) strategies of sustainable Governance with the Country’s new avatar as an evolving actor in the global market. Can the Indian State effectively play this Janus role, coordinating its organic hegemony with an uneasy decentralization / devolution of politico-administrative power and resources?
This happens to be the central inquiry that conjoins Globalization and Governance in the problematique of this paper.

Defining Governance

Governance is the manner in which rightful (legitimate) authority is wielded in a State. So the reality of Governance is part of the reality of everyday Statecraft while the relevance and impact of Governance are coterminous with that of everyday politics. Governance - therefore - relates to a specialized exercise in the management of State affairs, namely ruling capabilities.

Moreover, a State has governability if its obtained level of Governance is high. Ruling capacities - it is to be appreciated at this juncture - are really a matter of degree. A political system can also be described as being governable and legitimate if its management of internal affairs is in tune with the Rule of Law. So, rule-bound activities imply Governance. (Constitutional) Laws in this context imply both laid down rules and ethical principles.

The issue of Governance assumes especial importance whenever a parliamentary post-colonial liberal democracy like India is concerned just because such a political system indicates a dialogic concern between the State Apparatuses (Governance) and a creative / evolving civil society (governability).

So it is obvious that Democratic Governance ideally tries to create and sustain organic institutions that (in their symbiotic turn) try to institutionalize a political culture of popular rule and trust. Networks of trust, cooperation and coordination can not only facilitate social values related to Good Governance (characterized by accountability, transparency and rule-bounded behavior among other dynamics) but can also promote real life cost-benefit equations in a favorable manner. A certain scale of cost-benefit analysis can - therefore - gauge the levels of Governance that (in the legal-rational sense) is particularly all about the cost-benefit analyses of policy formulation and subsequent implementation. However, such exercises may be effective or otherwise.

So the concept of legitimacy happens to be a recurrent concern while discussing the notion of Governance. The process of rule ought to be perceived both as the proper as well as the due passage of an authority that is lawful. The “success” of any administration lies in the fact that it has the capacity to perform in the interests of its given clientele and that its impact and incidence are both extensive and intensive in nature.

Any democratic polity (in order to ensure Good Governance for its citizens) should ideally discontinue any excessive regimentation in society, providing citizens with a civil societal space called the Public Sphere. This pluralist civic space is necessarily created away from and even beyond the State in order to objectively address the State-civil society dialogue. The Public Sphere can also provide enduring solutions for Governance, as it is an ensemble of interactions that can (and actually do) help entrench the dominant ethos and culture root paradigms of any given society.

Globalization and Governance

The contemporary States system informed by Globalization is like Janus: the State has (generally speaking) a robust face in the
developed North but an almost impotent face in the developing or underdeveloped South. So Globalization necessitates a dialogue between the rich and the poor outside its essentialist assumptions of an uneven power discourse as conditions of Good Governance and Structural Adjustment Programs benchmark most Third World postcolonial democracies today.

While there are contentions that aggressive market forces make it difficult for welfarist governments to protect their citizens from transnational actors that are as elusive as their hot money, there are also counter-arguments that institutions like the International Monetary Fund or the World Trade Organization actually safeguard citizens from the administrative limitations of their respective national governments. There appears to be a consensus, however, that powerful markets tend to undermine political élites at home. But does this also suggest that national governments have been so thoroughly undermined today that the Global Village can eventually replace the State?

It has also been pointed out that if Globalization, on the one hand, facilitates decentralization then, on the other; it also helps develop pockets of dynamic Free Trade Areas in large developing countries like China and India by reorganizing their economic geography, Foreign Direct Investment and global commodity chains. This process, however, creates large hinterlands of economic backwardness and entrenches economic inequality within the developing South.

Globalization, therefore, intensifies regional disparities in the Third World. Scholars have found that Structural Adjustment Programs have varied widely in the results they have yielded. While Latin America has partially benefited from structural adjustment, Africa has not. It has also been argued that Rolling Back the State ie less government (as an imperative of contemporary Globalization) does not always lead to enhanced economic growth.

Globalization is apparently an open-ended journey toward a globalized world order whose weightless economy may be described as one that defies both national and international borders so far as economic transactions are concerned. This is a situation where freight charges are nil and trade / tariff barriers would disappear.

Such a pilgrim’s progress, however, is nothing new. Technological innovations during the past five centuries have steadily helped integrate the global community into an emergent global civil society. Transatlantic communications have developed from sailing boats to steamships, to the telegraph, the telephone, the commercial aircraft and now the Internet where even nationalism as a conventional political ideology has been reduced to “banal nationalism”.

**States System**

But States, meanwhile, have not ostensibly lost their importance and, on the contrary, even Third World governments’ capacities to tax and redistribute incomes, control their domestic economies and hegemonize civil societal activities have expanded in a significant manner.

However, the present-day transition of State efficacy - from welfare to Good
Governance - has to be explained in terms of a paradigm shift that can even lead to deinstitutionalization of State apparatuses in postcolonial democracies as the conventional manner of looking at the welfarist State as a sponsor of nation building is subverted in the process.

Globalization entails another paradox: it requires Good Governance underpinned by Structural Adjustment Programs that can, however, erode the popular bases of democratic Governance and lead to collapse of entire régimes. So Globalization would increasingly come across as the transition of world capitalism from one stage to another, safeguarding investments of global capital in this process.

Available evidence, as mentioned earlier, suggests that average incomes have increased while the income gap between rich and poor countries has also widened. Both trends have been evident for more than 200 years: it is only now, however, that improved global communications have resulted in a growing awareness among citizens of poor countries of income inequalities, and compelled them to increasingly immigrate to rich countries. Rich countries, consequently, have been provoked to pass laws that discourage mass immigration.

This, however, tends to reduce the global economy to an exclusivist power arrangement that also draws on McDonaldization / Coca-Colonization (or cultural homogenization) indicated largely by the one-way-traffic (ie infiltration and withdrawal of global capital into the Third World at will but not likewise when infiltration of Third World labor into the North is concerned).

Rich countries steadfastly maintain their immigration barriers and discourage agricultural imports while most poor countries have not been quite successful to attract much Foreign Direct Investment due to mis-governance on the part of their national governments. Rich countries, however, may as well concede that politics is a fundamental informant of economic inequality since they are not likely to lower their agricultural and immigration barriers in the near future in order to facilitate protectionism at home.

Rich countries may also review the performance of the Washington Consensus, which assumes that free markets necessarily promote economic convergence and underscores important issues (like the rule of law, property rights and transparent banking systems) to sustain dialogs between the North and the South.

Rich countries may also on occasion encourage poor countries to Think Globally, Act Locally ie design glocal (rather than global) development strategies that would be locally grounded within the larger context of Globalization.

**Human Rights**

Globalization has occasionally been regarded as a solution to problems like underdevelopment, malnutrition and violation of human rights, and important human rights institutions have been set up and incorporated into the global human rights régime. Governments are finding it increasingly difficult to violate their citizens’ human rights without attracting the attention of the media and international organizations.
as a result of developed telecommunications and global interdependence. Indeed, overall human rights practices have improved worldwide during the last decade or so. However, this improvement has neither been universal nor linear.

Globalization i.e. the growing interpenetration of States, markets, telecommunications and ideas across borders is one of the major informants of the contemporary world order. International agencies for the protection of human rights are now more developed while an emergent global civil society facilitates avenues of appeal for citizens repressed by their own States. But assaults on fundamental human dignity continue, and the very obliteration of borders and promotion of transnational actors that had originally sponsored the global human rights régime may also generate newer sources of human rights abuse.

Even as they are more widely propagated and accepted, the rights of individuals have come to depend increasingly on an entire range of actors and forces - from the multinationals to the missionaries! What are the patterns of the human rights impact of Globalization? Are new problems replacing, intensifying or mitigating State-sponsored repression? How effective are new forms of human rights accountability? Can new global human rights problems be addressed by the global human rights institutions developed to combat State abuses?

Are certain dynamics of Globalization generating both problems and prospects? How can new opportunities be used to offset new problems? The emergence of the global human rights régime, growing transnational social movement networks, increasing consciousness and information politics have the potential to address both traditional and emerging forms of human rights violations.

The United Nations has supervised human rights reform in El Salvador, Cambodia and Haiti while creating a new High Commissioner for Human Rights. The first international tribunals since Nuremberg are prosecuting genocide in the former Yugoslavia and Rwanda. Transnational legal accountability and humanitarian intervention promote universal norms and link them to the enforcement power of States. Thousands of non-governmental organizations monitor and lobby for human rights from Tibet to East Timor.

Alongside important exponents like the Amnesty International, Globalization has generated new forms of advocacy such as transnational professional networks (PEN, Doctors Across Borders etc), global groups for conflict monitoring as well as coalitions across transnational issues. New forms of communication allow victims to videotape their plight, advocates to flood governments with fax messages and Web sites to mobilize urgent action alerts. But the efficacy of global awareness and pressure on the States, paramilitaries and insurgents responsible for traditional human rights violations varies considerably.

Moreover, access to the new global mechanisms is distributed unevenly so that certain worst-hit victims like the illiterate rural poor or the women refugees are the least likely to receive global as well as domestic redress. Beyond this interaction of new solutions with old problems, new human rights problems may result from
the integration of markets, the shrinking of States, increased transnational flows, the spread of cultures of intolerance and the decision-making processes of new or emergent global institutions.

For instance, the increasing presence of multinational corporations has challenged labor rights throughout Southeast Asia and along the Mexican border. Increasing migration worldwide exposes growing numbers of refugees and undocumented laborers vulnerable to different forms of abuse by sending and receiving States. International economic adjustment and the expansion of sex tourism are linked to a rise in prostitution and trafficking in women and children, affecting millions in the Caribbean, Southeast Asia and the post-Soviet States.

The Internet that empowers human rights activists on the one hand also happens to facilitate governmental repression on the other, and even instructs neo-Nazis to post transnational death sentences against their dissenters. Unelected global institutions like the World Bank, international peacekeepers or environmental NGOs administering protected areas increasingly control the lives of the most powerless citizens of weak States.

The idea of human freedom is essentially rooted in the concept of human development, according to Noble Laureate Professor Amartya Sen’s “Development as Freedom” thesis (that outlines an entitlement to capacity-building process). And the idea of human progress is a construct that is designed around the axis of freedom. What is freedom? Is it only lack of societal constraint, withdrawal of discipline and punish, willing suspension of the panoptic Super Ego that they address as the “mainstream”? Or is freedom a concept much more fundamental, to be read into the texts of Rabindranath Tagore, Roman Rolland or even Walden?

Sociologists claim that civilization is what we are and culture is merely an arrangement of artifacts that we happen to use during the course of our politics in everyday life. But then civilization is also a system of values that is handed down generations as a movement of socialization that laymen identify as “progress”.

State and Civil Society

Liberal democratic régimes like India or even the United States can only be politically successful, deliver the common good and thereby continue in power in a more stable (read pro-people) manner if they are able to correctly read the obtainable ground realities and problems thereof. These problems are more or less popular in nature, and have a propensity to develop into discontent of the ruled actors against their ruling institutions. So the actors in power have to continuously shuffle and delicately balance priorities of human development, well-being and accessible freedoms like the ever-important agenda of human rights and civil liberties, a responsive and responsible administrative machinery, transparency at all levels of public expenditures and domestic and international peacekeeping projects rather than playing mutually harmful “spy versus spy” games.

Progress versus Development

But how can progress be distinguished from “development”, if at all? A most prominent item on today’s humanitarian
global agenda, apart from mantras like good Governance, social capital, neo-liberal communitarianism, grassroots empowerment, civil societal capacity-building and gender sensitization, is certainly the notion of sustainable development. This has become almost a catchword of sorts in the Third World, decolonized State nations that are more or less grappling to muster a political system around pluralistic identities of nationhood enmeshed in ethnicity, language, religion, region and mutual distrust. It is almost as if “softy States” are hanging loose and can only be brought back on to the fast track of development by way of external intervention and advocacy on the past of the Eurocentric West.

Development, it may be appreciated at this point, is not anything extrinsic like politics imposed from the above without any regard whatsoever to the end-users of limited political resources. Actors who are supposed to interface with their very own institutions are nearly always better comfortable if left alone with the material conditions of daily life that breed organic ethos of community existence. This is where the colonial masters went wrong in Asia, Africa and South America when they bled the colonies white and left behind a legacy of comprador bourgeois and crony capitalism that, in turn, fostered a repressive State apparatus and a perverted anti-people bureaucratic managerial State system that was not only anti-people but was also occasionally anti-progress.

What Richard Cobden implies by “Cabinets or Foreign Offices” is actually this mechanistic attitude of the political elite (in capitalist systems) and party leadership (in socialist societies) that are smug in the cocoon of their mistaken convictions that people at the top echelons of power, authority and influence have necessarily a working knowledge of “the greatest good of the greatest number”.

This is not a utilitarian or even a welfarist State approach - it is actually self-defeating as amply evidenced in the erstwhile USSR where an insane arms and space race with the United States (incidentally the only country in the entire world to have actually materially gained from the First and Second World Wars with minimum military casualties) led the once powerful communist country to a more or less incredible situation of mind-boggling bankruptcy.

Military hardware and nukes were being manufactured at the cost of basic consumer requirements like bread, potatoes and vodka, following Stalin’s rhetoric of an entire generation making sacrifices (read being purged if found to be politically incorrect) for the cause of a better Russia of the future. Moscow’s huge and sprawling department store GUM was always nearly empty while the party’s top brass were running around in their imported limousines, shopping in dollar shops selling Swiss chocolates and watches, Scotch whisky, French champagne and perfumes. Add rampant corruption and repression to accept a second-hand political ideology not originating from the ground realities of people and you have ideal recipes for killing fields like the infamous Prague Spring.

### Public Action Enterprises

We are reminded of Professor Mohammad Yunus of Bangladesh in this respect - the
magician of the Grameen Bank (“rural bank”) microcredit revolution who even hugely impressed Hillary Rodham Clinton. What Professor Yunus still does is amazingly simple - he organizes self-help groups in the manner of cooperatives and tries to make them economically self-reliant in areas as humble as poultry, weaving, dairy and even small-scale production. But when such cottage industries are linked (“forward and backward integration”) in the larger context of market forces they become formidable in their control of the overall agrarian and even the urban economy. Peasant women in Bangladesh carry mobile telephones to communicate with distant markets, distributors and dealers! This may sound incredible but it is true nevertheless, proving the validity of Cobden’s observation.

Operation Flood in Anand (Gujarat, India) and the Lijjat and Kissan enterprises are other such brilliant instances of people working toward their common good (based on innovative techniques like outsourcing of manpower and material resources, subcontracting or leasing of plant and machinery, breaking down the production process to delimit financial risk liability ventures somewhat akin to Adam Smith’s exposition of the division of labor dynamics) without any outside intervention whatsoever. One must remember that neither India nor Bangladesh tends to practice authoritarian régime maintenance. What was possible once in Beijing’s Tiananmen Square when the People’s Liberation Army crushed pro-reform students under tanks and armored carriers is unimaginable in either India or Bangladesh (that secured its liberation in 1971 by way of Indian military cooperation). So democracy is an essential requirement if “the progress of freedom” is to continue unabated.

Vox Populi

By democracy we ordinarily mean popular authority or rule. As made popular by Jean Jacques Rousseau, one of the ideologues of the French Revolution (that effectively altered the course of European history by beginning the disintegration process of the medieval and feudalistic Age of Empires), the voice of God is heard in the voice of the People.

This was a far cry from the autocratic self-styled pronouncement of French Emperor Louis XIV - “I am the State”. It was no wonder that Louis XVI’s wife Marie Antoinette (later sentenced to die to rather unceremoniously at the guillotine) had once expressed her wonder in such a naive fashion on hearing about the simmering discontent among the Parisian mob standing in endless queues or bread lines and more often than not starting violent riots among themselves - “If they cannot eat bread why don’t they eat cake!”

This vulgar ignorance of the ruled on the part of their rulers is rather inimical to democracy. But we must remember that democracy as dynamic capacity-building agency in the post 9/11 world has all of a sudden underscored its long-ignored extrinsic quality. Democracy is not really insular, stretching from the East Coast to the West Coast of the US. If the notion of external sovereignty has suffered quite extensively since the height of the Cold War when the world was almost vertically divided into the NATO and Warsaw Pact countries (save the NAM States being led by Nehru, Nasser and Tito), the idea
of external democracy has gained much popular and diplomatic acceptance.

Simply put, powerful nations can no longer ignore internal human rights or civil rights agendas vis-à-vis world public opinion. But this is what the US is consistently trying to follow as its most shortsighted foreign policy since the Malta Summit Conference when President George Bush Senior and CPSU General Secretary Mikhail Gorbachev officially declared the end of the Cold War, a historic event that even prompted Francis Fukuyama to write a banal work on the end of history and the last man.

Since the days of its Nineteenth Century isolationist Munroe Doctrine the US has put up apparently impregnable walls around itself that couldn’t even be dismantled during the Marshall Plan for the Reconstruction of Europe after the Second World War or establishment of first the League of Nations (as an initiative of President Woodrow Wilson’s historic Atlantic Charter) and then the UNO, the International Monetary Fund, World Bank and now the omnipotent World Trade Organization that apparently dictates the movements of a new specter of the new millennium, namely Globalization.

The US foreign policy has always been designed on lines of “muddle and meddle” - Vietnam, Korea, Bay of Pigs, Iran Contra scandal, Afghanistan and now Iraq. The country boasts of democracy and swears by it, boiling with righteous motivation to export Yankee democracy around the underdeveloped world, but has, however, classified the JFK assassination archives for no apparent reason whatsoever.

Clandestine covert operations, the strategic defense initiative (Star Wars), research in biological and chemical weapons - you name it and you would find the dirty trick invariably up America’s (read the CIA and FBI’s) sleeves. In fact, it is the only nation to date that has used atomic weapons during a war, destroying Hiroshima and Nagasaki in the process to avenge the Pearl Harbor attack and crippling generations of Japanese children long after the holocaust as a result of toxic radioactive radiation carried forward genetically by succeeding generations.

Since the Gulf War fought by Senior Bush as the much-hyped Operation Desert Storm so graphically shown by CNN across millions of idiot boxes around the world, nobody knows exactly how many innocent Iraqi children have died from malnutrition, disease and hunger due to the US-imposed and UNO-condoned sanctions against Iraq.

The US condemns Osama bin Laden but should actively engage in soul-searching regarding its own virulent international terrorist status in our contemporary unipolar world where might is right in a Hobbesian State of affairs where human life, property and security are all indeed “solitary, poor, nasty, brutish, short”. The US, in brief, should radically reorient its foreign policy to address the dignity of human life and internal sovereignty of nation States around the world.

**Way Forward**

However, the political élites of rich countries may even find it occasionally convenient to overlook their own immigration and tariff barriers since such barriers is considered absolutely vital to their own domestic political stability. The amount of clout rich countries command at multilateral platforms like the International Monetary Fund or the...
WTO more often than not makes it difficult for developing countries to successfully negotiate such barriers.

The State located within the contemporary post-capitalist/post-industrial Globalization discourse is yet to wither away – we may regard it (among its different avatars) as an important facilitator in the uneven, if not multicultural, North-South dialog. We may even also regard it as an actor that would continue to engage its civil societies and the Public Sphere vis-à-vis critical debates such as Good Governance, Structural Adjustment Programs and social capital formation or otherwise.

However, the liberal democratic State may become even more repressive and organized during the course of future Globalization in order to address increasing popular discontent and public disorder that would follow any roll-back of its welfarist arrangements and civil societal concerns.

### Social Capital

The popular understanding of Social Capital as an embedded civil societal resource supported by networks of trust and cooperation should be analytically conceptualized here in order to locate the altogether intriguing notion of development ethics in its proper intellectual discourse. Social Capital is more often than not underpinned by manufactured consent that in itself is conditioned by parallel movements of power and culture. What is trust and how can the intangible value of trust be defined by cooperation and multiple axes of social synergy that is cohered by an equally unquantifiable category called enlightened self-interest that is variously known as faith?

The comparative value of trust when measured against infidelity may be quantified in order to understand why people sustain a working stock of Social Capital at the marketplace, in politics, public offices and the government or elsewhere where interactions and institutions come together to define various interfaces of public discourse.

To disown my neighbor in his / her hour of need or crisis may not be quite a wise policy when located in a broader temporal perspective. But the problem with rational consumers interacting at the level of the marketplace of politics is that they are not always endowed with the gift of foresight (that in itself is an asset conditioned occasionally by experience i.e. acquired social knowledge.

Why is the notion of Social Capital at all relevant in our community life? Is this because it is a useful and practical idea that is mutually beneficial in utilitarian terms? You would benefit if I am truthful while I would gain if you are honest. We can translate and extend this notion into areas of Good Governance such as accountability and transparency. The social structure as a whole has a developmental stake rooted in the intangible yet immensely valuable resource of Social Capital. This argument is substantiated in the case of Development Ethics.

### Social Interactionism

Popular institutions serve as indices to assess the quality of grassroots activism. Such institutions, moreover, have a proclivity to become somewhat indispensable as their
networks expand and become increasingly detailed in terms of organization; their levels of encompassment and embeddedness in the everyday politics at the grassroots rise accordingly. The role of social trust and networks of cooperation in the context of such decentralized governance is rather vital. Trust leads to social bonds and intra- as well as inter-institutional connectedness. Trust sustains institutions.

For what are institutions but formal agencies and domains of human interaction? And is not the problem of governance really a problem of interaction in its primary sense, a problem of interface involving both the state and its civil society/societies? If rules are the accepted (and expected modes) of behavior, then institutions are the facilitating channels that help socialize such behavior. Neonstitutionalism - in order to understand this baffling phenomenon of good governance - deals with actors and institutions as well as actors in institutions. Governance derives from an able handling of institutions.

Actors who function through institutions tend to make a lot of difference as to how such institutions perform. The kind of legitimacy and politics of ecology that we have in mind here would ideally emerge from real life, indigenous knowledge and intimate culture root paradigms of everyday life. We cannot deny the fact that institutions are necessary. But what are social institutions other than interactive arrangements of power that are best evolved indigenously?

This neoinstitutional argument is also supported by rational choice analysis that suggests that any democratic régime would legitimately prefer entrenchment[s] of its own power and authority rather than problems of governance. This, however, prompts an essential cost-benefit analysis ie what magnitude of political investment to establish pro-people, responsive institutions at the grassroots would yield good governance?

**Development Ethics**

The issue of human values conjoined to the discourses of development is more often than not predicated by the choices and priorities of infrastructure augmentation and enhancement of physical assets for a public purpose. The priorities of ethical choice applied to the sanctity of human development emerges as a critical policy imperative in the larger context of moral emancipation.

This leads us to the larger and more problematic question of human rights when considered from the angle of civil societal liberties. How ethical can development ultimately become when analyzed in the light of assumptions informed by hegemony and the power/knowledge discourse. Development often appears to be a panoptican construct that is cohered by a gaze that is transnational and transcommunal in its scope and purpose.

People are at the centre of concerns for sustainable development. The international community has therefore pledged to eradicate poverty, to promote full and productive employment, and to foster social integration to achieve stable, safe and just societies for all. The rights-based definition of development in the Declaration on the Right to Development sees it as a comprehensive economic, social, cultural
and political process.

A rights-based approach to development is a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. There is no single, universally agreed rights-based approach, although there may be an emerging consensus on the basic constituent elements.

While it has recently received unprecedented attention, the idea of rights-based approaches is not a new concept. Many of its elements have been tried and tested for years. Rights-based approaches bring the promise of more effective, more sustainable, more rational and more genuine development processes.

The architecture of dominant knowledge and the specificity of its impacts should be interpreted in a spatio-temporal manner that is conducive with the tenets of practical reason. But the most uncomfortable question remains: what is the cost of ethical development that takes into account angularities of politics and considers the dynamics of progress judged by objective parameters? This is a most difficult proposition that is underpinned by the politics of definitions and the multiplicity of identities.

Sustainable development can never emerge as a value-free project that is not conditioned by the microphysics of power or even the archaeology of knowledge. The semantic of learning is an ontologic exercise that cannot be unduly coerced by the versatility of multicultural complexities or pluralist politics.

We have to appreciate the fact that the overall dynamic of ethical definitions cannot be undermined irrespective of whatever value connotations development may subsume at different stages of infrastructure augmentation projects that happen to impact different categories of stakeholders in variant magnitudes and qualities.

Public Sphere

The concept of public sphere is especially important in this respect. According to Habermas, the public sphere is “a realm of our social life in which something approaching public opinion can be formed. Access is guaranteed to all citizens. A portion of the public sphere comes into being in every conversation in which private individuals assemble to form a public body”. A rhetorical theory of the public sphere emphasizes that “sphere” is a metaphor.

The public does not exist prior to the conversations that bring it into being. Its shape, boundaries and agents are all the products of discourse, although not divorced from their material aspect as well. A concept in continental philosophy and critical theory, the public sphere contrasts with the private sphere, and is the part of life in which one is interacting with others and with society at large. Much of the thought about the public sphere relates to the concept of identity and identity politics.

Poverty and Prosperity

Redefining entitlements is a process that intrinsically challenges predominant assumptions in the context of growing pressure of population and fragmentation of urban resources. New material conditions
of life are redefined and differently molded in this process. Lesser payoffs in terms of minimum tangible benefits to primary stakeholders may take place as a direct spin-off of the multipliers of poverty reduction programs. This is somewhat similar to the diminishing marginal utilities of consumption and over-utilization of resources that finally lead to satiety.

Poverty alleviation initiatives and income generation measures may lead to gender empowerment for a certain section of the community. This may or may not lead to formation or facilitation or even enhancement of the available stock of social capital so far as the target groups among the community are concerned.

New culture root paradigms may get entrenched in this critical process as functions of new societal arrangements and perceived specifics of realigned identities and different matrices of power. Such may be the case when new local markets are sought to be explored in the face of established global markets.

Such a state of affairs would require new institutional networks that may work in a milieu of change management predicated by development alternatives. This necessitates a new regime of discourse where the terms beget different signifiers and alternating signified. Voices and choices of the people would become confused otherwise in a cacophony generated by the multitude or the Tower of Babel of policy alternatives. Such an overwhelming otherness would provoke dystopic and dysfunctional social pathologies that would be without any incipient tenets of hospitality whatsoever.

Systemic compulsions of the new international economic order ushered in by the World Trade Organization and the General Agreement on Trade and Tariff may be viewed as in-built disruptions that only add background noise to disturb channels of communication between the market and the consumer who is prepared to utilize significant and limited resources in order to access utilities.

Depleted capacities of primary stakeholders occur as a result of the systemic imperatives of globalization. The government schemes that we have discussed in this paper may sound workable in theory but are more often than not viable in reality due to this fact.

Populism is another disabling factor that plagues liberal democracies such as the Indian political system. We come across policy decisions that are not commercially tenable in the market but are implemented nevertheless due to the compulsions of so-called pro-people and pro-poor politics.

Local actors may be able to reorient a new brand of politics in their favor by manipulating primary resources available at the grassroots. But we have to deal with local as well as macro-level politics simultaneously in order to coordinate between the compulsions of subalternist and elitist power approaches.

This communitarian approach to social realities may ultimately serve to restore the community at the center of our developmental focus but at a significant cost. This cost is the one incurred during informed exercises pertaining to social choice. So it appears that the incidence of poverty and the eradication of poverty are often to be studied in a context of change management as conceived by the above model. It is a fact that urban poverty is generally a reflection of existing political equations that are available at the level of microphysics of power.
Obtainable social realities would suggest that poverty becomes institutionalized as a phenomenon in the interest of powerful social actors who are able to obtain the maximum mileage out of the sense of relative deprivation that afflicts civil society. Poverty is also a function of social asymmetry. Inflation and stagnation of the currency may adversely affect the population in uneven ways.

This is due to the fact that social clusters are located along the economic hierarchy in different degrees of embeddedness. Public action and civic engagement in an enabling environment may or may not entrench channels of cooperation among primary stakeholders. Such vertical divisions among society are caused by differing axes of participation and priorities conditioned by dynamic variable such as knowledge, attitude and perceptions.

**Personal Vs. Political**

May we shift our stance somewhat to reflect that development may not always lead to freedom? Basic human rights (if guaranteed by the state apparatuses) may lead to capacities on the part of citizens. But what about capacities that do not sell at the globalized marketplace? If globalization, on the one hand, facilitates decentralization then, on the other, it also helps develop pockets of dynamic Free Trade Areas in large developing countries like China and India by reorganizing their economic geography, Foreign Direct Investments and global commodity chains.

This process, however, creates large hinterlands of economic backwardness and entrenches economic inequality within the developing South. Globalization, therefore, intensifies regional disparities in the Third World. The so-called Internet Revolution is indicative of the hegemonistic battles waged on a daily basis around the world with reference to critical discourses of production, consumption, distribution and exchange. The World Wide Web was originally designed as a virtual space to permit efficacious and intuitive transfer of data across an array of proprietary networks.

**Conclusion**

Development, it may be appreciated at this point, is not anything extrinsic like politics imposed from the above without any regard whatsoever to the end-users of limited political resources. Actors who are supposed to interface with their very own institutions are nearly always better comfortable if left alone with the material conditions of daily life that breed organic ethos of community existence. This is where the colonial masters went wrong in Asia, Africa and South America when they bled the colonies white and left behind a legacy of comprador bourgeois and crony capitalism that, in turn, fostered a repressive state apparatus and a perverted anti-people bureaucratic managerial state system that was not only anti-people but was also occasionally anti-progress.

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Knowledge Horizons: Role of Librarian and Value of Knowledge Management

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Abstract
The Article traces the importance of Knowledge Management, Value of Knowledge Management the strategies involved in setting, starting the KM in an Organization, the various components associated in formulating strategies including making knowledge visible, building knowledge intensity, developing a knowledge culture, building knowledge infrastructure, etc. Knowledge Management is not new. The study identifies the various activities of KM, the competencies & the available technologies to support the task in an Organization. The Knowledge work Chain Model offers a helping hand to the KM services in an Organization to benefit for its faster growth evolving competitive strategies by incorporating Libraries & Librarians.

Introduction
A number of management theorists have contributed to the evolution of knowledge management, among them such notables as Peter Drucker, Paul Strassmann, and Peter Senge in the United States. Drucker and Strassmann have stressed the growing importance of information and explicit knowledge as organizational resources, and Senge has focused on the “learning organization,” a cultural dimension of managing knowledge.

Yes, knowledge management is the hottest subject today. The question is: what is this activity called knowledge management, and why is it so important to each and every one of us?

Like water, this rising tide of data can be viewed as an abundant, vital and necessary resource. With enough preparation, we should be able to tap into that reservoir -- and ride the wave -- by utilizing new ways to channel raw data into meaningful information. That information, in turn, can then become the knowledge that leads to wisdom.

Before attempting to address the question of knowledge management, it’s probably
appropriate to develop some perspective regarding this thing called knowledge, which there seems to be such a desire to manage, really is. Consider this observation made by Neil Fleming as a basis for thought relating to the following diagram.

- A collection of data is not information.
- A collection of information is not knowledge.
- A collection of knowledge is not wisdom.
- A collection of wisdom is not truth.

The idea is that information, knowledge, and wisdom are more than simply collections. Rather, the whole represents more than the sum of its parts and has a synergy of its own.

Four steps in getting started in knowledge management are described:
- Making knowledge visible
- Building knowledge intensity
- Developing a knowledge culture
- Building knowledge infrastructure

They are interdependent in that embarking on one without the others will hinder the acceptance and success of knowledge management as a major organizational focus.

Some well-run organizations have been doing these four steps for many years, while others are beginning to recognize their importance and the extent to which they need to be integrated with how work gets done. The need for this holistic approach is not dissimilar to many other management techniques.

Knowledge Management is not New

To what extent does your organization already have one or more of the four steps in place? Libraries, as information-based services, should understand the importance of each of these steps and some are taking the lead in their organizations with the encouragement of senior management. In delineating the four steps above, it is clear that knowledge management is not new. It is something that good firms have been practicing for many years. But few have understood its importance or seen knowledge management as a purposeful management technique with multiple dimensions and impacts.

The firms which are currently being cited as leaders in knowledge management in the United States, Canada, Japan, Switzerland, and Australia have also been leaders in the careful application of other management techniques. Knowledge management is an evolution of their management practices, not something they have suddenly discovered which can be implemented in six months. Having recognized the importance of knowledge management and knowledge work processes, they find that they already
have some of the foundations well implanted in their people and organization. They do not see knowledge management as a ‘solution’ but as a way to better use the expertise within and available to their organizations. These organizations span many areas: finance, pharmaceuticals, engineering, automotive manufacturing, service industries, consulting firms, healthcare, and public service organizations.

How Do You Recognize Knowledge Management?

Organizations which understand—or at least where their senior management understands—the importance of knowledge management have the characteristics of learning organizations with well-managed information flows. In a major study of managing knowledge a composite set of characteristics of learning organizations was developed. These characteristics focused on the organization’s behavior in four areas: leadership, culture, managing people as assets, and structures and processes.

Managing People as Assets

An essential theme in managing knowledge effectively understands the importance of people as organizational assets. While this might be slightly offensive to some, life is generally much better for employees when they are seen as assets rather than as items of expenditure—that goes for academics, librarians, clerks, couriers, mechanics, and senior executives.

However, the data gathered that the greater the number of these elements an organization embraces, then the closer it will be to becoming a learning organization which “manages knowledge for business success”.

Most senior library and information service staff will have no difficulty with this list at all—from an intellectual perspective. Librarians and library directors can be wonderfully analytical and enjoy the discussion of ideas and have warm feelings about how important people are in a people-intensive industry. The managerial and supervisory reality though is usually something quite different. Being able to practice effective people management is quite different from understanding how important it is. For example, ask yourself these questions:

How many of these characteristics are actually recognizable in your organization and/or in your library?

What parts of the budget disappear in tight times and who gets to participate in which professional development opportunities?

Where is money actually spent and what message does this convey to staff in tough times?

From whose perspective are you answering? If you are the library director, you delegate obtaining the answers to one of your staff—one who has security of employment, or is perhaps retiring soon. It is no use simply doing it with the senior management team. They will often have a very inflated idea of how well people are managed. But don’t bother doing anything if you are not going to act on the results—no matter how pleasant or unpleasant they might be. It just raises expectations which, when they are not met, lead to greater cynicism and more
Knowledge work is inherently hard to manage. Davenport summarizes the challenges in taking a process approach to knowledge work:

Variety and uncertainty in inputs and outputs
Unstructured and individualized work rules and routines
Lack of separation among process, outputs and inputs
Lack of measures
Worker autonomy
High variability in performance across individuals and time
Lack of information technology support

These challenges underlay the difficulty in managing knowledge itself. As work becomes more knowledge intensive, richer forms of communication become more important. We need to know more about the people in our organizations, their expertise and the nature of their work. Groupware technologies, such as Lotus Notes, become critical to organizations where successful business or service delivery rests on cooperation and coordination between knowledge workers. This is particularly the case where professionals in teams handle multiple clients and/or are geographically dispersed. Technology can support knowledge work processes, but it must support and augment rather than replace human collaboration.

Communication systems must support the transfer of sophisticated design concepts, data, and documentation in a high quality and cost-efficient manner to staff of the highest caliber who excels in working together.

**Knowledge Work, Libraries, and Librarians**

The basis of how organizations compete--their core competencies--increasingly center on managing knowledge and knowledge workers. Where an organization’s performance is heavily reliant on knowledge work then knowledge management is pivotal. Knowledge work emphasizes the use of professional intellect in activities which use individual and external knowledge to produce outputs characterized by information content.

In a useful analysis of how to apply a process view and improvement objectives to knowledge work, Davenport, Jarvenpaa, and Beers explain that knowledge work is about the acquisition, creation, packaging or application or reuse of knowledge. Some examples of each of these types of knowledge work are:

- **Acquisition**: Finding existing knowledge, understanding requirements, searching among multiple sources and conveying it in an appropriate form to a user, such as competitor intelligence;
- **Creating**: Research activities in a pharmaceutical firm, creative processes in advertising, writing books or articles, making a movie;
- **Packaging**: Publishing, editing, design work;
- **Applying or using existing knowledge**: jaded staff.

Communication systems must support the transfer of sophisticated design concepts,
auditing, medical diagnosis;

Reuse of knowledge for new purposes: leveraging knowledge in product development processes, software development.

But to what extent do librarians and information specialists measure up as knowledge workers? Or is information just work?

Knowledge work is characterized by variety and exception rather than routine and is performed by professional or technical workers with a high level of skill and expertise. So do all library and information specialists qualify? Those who exercise their intellects in any of these types of activities are knowledge workers. If your work can be or is totally routine, then you are an administrative worker, not a knowledge worker. If you describe what you do as organizing things for others to access, you come close to being an administrative worker rather than a knowledge worker.

**The Value of Knowledge Management**

In an organizational context, data represents facts or values of results, and relations between data and other relations have the capacity to represent information. Patterns of relations of data and information and other patterns have the capacity to represent knowledge. For the representation to be of any utility it must be understood, and when understood the representation is information or knowledge to the one that understands. Yet, what is the real value of information and knowledge, and what does it mean to manage it?

Without associations we have little chance of understanding anything. We understand things based on the associations we are able to discern. If someone says that sales started at $100,000 per quarter and have been rising 20% per quarter for the last four quarters, one is somewhat confident that sales are now about $207,000 per quarter. One is confident because one knows what “rising 20% per quarter” means and one can do the math.

Yet, if someone asks what sales are apt to be next quarter, one would have to say, “It depends!” Ione would have to say this because although one has data and information, one has no knowledge. This is a trap that many fall into, because they don’t understand that data doesn’t predict trends of data. What predicts trends of data is the activity that is responsible for the data. To be able to estimate the sales for next quarter, one would need information about the competition, market size, extent of market saturation, current backlog, customer satisfaction levels associated with current product delivery, current production capacity, the extent of capacity utilization, and a whole host of other things. When one is able to amass sufficient data and information to form a complete pattern that one understood, one would have knowledge, and would then be somewhat comfortable estimating the sales for next quarter. Anything less would be just fantasy!

In this example what needs to be managed to create value is the data that defines past results, the data and information associated with the organization, its market, its customers, and its competition, and the patterns which relate all these items to
enable a reliable level of predictability of the future. What I would refer to as knowledge management would be the capture, retention, and reuse of the foundation for imparting an understanding of how all these pieces fit together and how to convey them meaningfully to some other person.

The value of Knowledge Management relates directly to the effectiveness with which the managed knowledge enables the members of the organization to deal with today’s situations and effectively envision and create their future. Without on-demand access to managed knowledge, every situation is addressed based on what the individual or group brings to the situation with them. With on-demand access to managed knowledge, every situation is addressed with the sum total of everything anyone in the organization has ever learned about a situation of a similar nature. Which approach would you perceive would make a more effective organization?

Conclusion

The impetus for expressing these thoughts on knowledge management and knowledge work came from two main sources. Firstly, the invitations to address library and information managers and secondly my regular involvement with executive education.

Discussions with and observations of librarians and information management colleagues who are struggling with the notion of knowledge management and trying to link it to what they thought they had been doing all these years.

These experiences reminded me of intense discussions with several MBA students with backgrounds as industrial engineers or systems analysts. Both groups thought they had been doing Business Process Redesign (or Design) for years. They had been tackling business processes, but from one perspective only. Similarly, librarians have excellent skills in organizing and codifying information sources and making these accessible to others. This represents the top layer of the knowledge map (information) rather than tacit and explicit knowledge. Librarians are generally driven by a desire to provide access to information sources and match this desire with values that assume information sharing is a good thing. In a recent wide-ranging and stimulating address, Warren Horton19, Director-General of the National Library of Australia, and IFLA executive member, drew attention to these two facts about the library profession. Librarians are involved in a continuing search for excellence in organizing and codifying information sources. This is embodied in efforts to make access to electronic publications “intelligible and accessible”. The second fact is that the library and information profession rests on “bedrock of very solid and long term values”. Both of these attributes are important for the practice of knowledge management. But they are not sufficient. They need to be harnessed in two directions: towards specific organizational objectives that provide greater value to customers and clients; and, second, in the way in which library and information services are themselves managed.

Knowledge management is not owned by any one group in an organization, nor by any one profession or industry. But if
librarians and information specialists want to be key players in the emerging knowledge management phenomenon, they need to understand the multiple perspectives of the other players. Some of the journal articles referenced at the end of this paper are useful starting points in coming to grips with the language and concepts behind knowledge management.

Knowledge management requires a holistic and multidisciplinary approach to management processes and an understanding of the dimensions of knowledge work. Knowledge management should be the evolution of good management practices sensibly and purposively applied.

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The Global Economic Crisis: A Perspective

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Abstract
In times of economic slowdown, many businesses have been forced to reduce their number of employees to reduce their costs and increasing losses. This has happened across the globe in the West, South-east Asia, China and India. In UK, the unemployment rate has reached 6.3%, the highest since the last 10 years. Employees need to upgrade their skills so that the organization can remain competitive. Economic downturn is part of any business cycle. Less than 16% of the companies in India are considering retrenchments and more than 60% are still hiring. Thus we can say that companies need to take care of their most valuable resource—their people by motivating them, training and upgrading their skills so that they remain competitive to face the challenges of the global scenario.

Introduction
Over the past two years, everyone is talking about the global economic crisis and the financial meltdown. Hundreds and thousands of people have lost their jobs. Many people have lost their hard-earned savings which they have invested in the stock markets. There are cost-cutting measures being taken by every organization just to survive. There is uncertainty about tomorrow. People who have jobs today are not sure whether they will have them tomorrow. Salary cuts and retrenchment of employees has taken place everywhere. In such a scenario, companies try to shed their extra baggage in the form of their employees. So where does an employee go from here? What should he/she do to tide over this crisis?

Need for being multi-skilled
The answer lies in being multi-skilled i.e. having expertise in more than one field. The job market is not good enough but there are still jobs for people with the right skills. We now come across jobs which require hybrid skills for example, people with pharmacy and IT background would be suitable for a position like ‘healthcare informatics
Sandeep Bhanot

Some other jobs could require the combination of IT and production experience. Some companies may require a techno-commercial background like finance and engineering or a combination of IT and HR. Such jobs which are called as hybrid jobs will become the standard jobs of tomorrow because of less demand and more availability of highly qualified people. Other examples can be of people with finance background, coupled with supply chain management experience.

Companies create hybrid jobs to solve new challenges in a variety of industries and thus stay competitive. For example, they require people who can market the product as well as explain how IT can help in it. For some companies, the combining of two jobs into one hybrid job is a cost cutting measure. Companies are looking at ways to save costs in an economy like this and the best way is to stretch your employees as much as you can and get them to cross over into multiple skill sets. Some hybrid jobs may require additional degrees while others may require expertise in additional fields. Employees should have an outlook such that they can approach the job with different perspectives and see how two fields come together and build on each other as a synergy. Employees may have to take up additional computer courses or others so that they can compliment the present job with additional skills.

There is another side also to this, as suggested by experts. They say that companies may feel that such an employee is over-qualified and will not be interested in a job that offers few challenges or such an employee may switch jobs if a better, high paying offer comes along. But still the advantages are far more than the drawbacks. A person should venture into two disciplines or fields only if he/she is really interested in them and not just for the sake of it. Having an expertise in two areas does not necessarily double the chances of your finding a job but it definitely increases the chance that you will be happy if you find such a hybrid job.

Though hybrid jobs may not be able to help everyone, it can definitely help those who have a multi-skilled background in this tough job market scenario. The candidates need to know how to apply their multiple skills to a particular job to be more effective. They can use this as a competitive advantage over others who are not multi-skilled, especially in a scenario where companies are looking for candidates who can handle maximum responsibility, keeping the cost to a minimum. People who have expertise only in a particular field may suffer if that particular field goes through a recession.

Hence the following things can be kept in mind:

(i) Try and educate yourself in areas other than your domain areas.

(ii) Do not limit yourself to commonly prescribed notions of specific career paths. The more areas you are interested in, the better it will be for you.

(iii) in job interviews, candidates can explain how their multiple skills have helped them to handle responsibilities successfully and how the organization has benefited by saving costs and making more profits.

(iv) You can emphasize even experiences of a shorter duration, if they are of help to the present job.
(v) The candidates should look out for those jobs which suit their skills and strengths.

With all these things taken into account, even the most difficult financial and job scenario can be handled properly by an employee who is multi-skilled and knows how to apply them to the situation at hand.

What are organizations doing?

All companies are trying to find a way out of the economic mess. They need to keep costs down and so multi-tasking happens to be one of the solutions which they are adopting so that they can utilize the human resource to the best possible extent.

The flow of business has reduced which has lowered the morale of employees and companies need to see that they recognize high performers, counsel them and motivate them by engaging them in useful activities.

In such situations, the role of the top management assumes a lot of significance. They should be able to unite the team and inspire them to do well because it is the employees who can pull the organization out of difficult times. Counseling will help to remove the apprehensions and fears which the employees have about their jobs and prod them to work hard. Companies are trying to see that their employees become multi-skilled and multi-dimensional. They also want to identify the employees who have the potential to become future leaders and who can be given bigger responsibilities.

Companies are trying to freeze recruitments, retrench existing people to survive. They want to tighten their operations and want that their existing employees do more than their designated roles.

They are on the lookout for people who have the knowledge, skills, and competencies to do more and contribute to the organization in more ways than one. Companies also want to re-engineer and modify their processes such that costs come down effectively. They are trying to have a better coordination between the various flows of information and also trying to measure the performance of each unit to find out units which are not doing well.

A Balanced Approach

A positive way to look at people is to retain them and train them so that they can prove more useful to the organization. Drastic measures like retrenchment of a number of people will not be a proper solution to the problem. There have been instances of companies where employees have stayed on and finally pulled the organization out of the woods. Hence, a balanced approach is required. Efforts should be made to increase productivity and improve quality because this will help to reduce costs. Lateral and innovative thinking on the part of everyone will also help the organization to come out of the difficult times. Increasing the efficiencies of the processes through better techniques will create an environment conducive and favorable to everyone.

Companies are looking at how to utilize their most valuable resource—their people. The people need to be trained, nurtured, developed so that it can be found whether they have the necessary skills to do the job properly. This will help the organization to
give appropriate roles and responsibilities to the right people, with some of them given even additional responsibilities. Organizations are looking for employees who can adapt to the changing scenario and can develop themselves to handle any job and responsibility entrusted to them and can excel in them. Such people can prove to be good leaders of tomorrow who can take everyone together and develop them to realize their hidden potential. The emphasis is on recognizing high potential employees, training and developing them and building effective teams. Employees are trained to do multi-tasking as there is a shift from specialization to multi-tasking. This is very much required for survival in today’s environment.

Organizations are also making use of external counselors to motivate their employees, for building teams and teaching them how to cope with the uncertainty arising out of the global crisis, and handle the consequences. Employees need to be trained and well-equipped to cope with the changing environment. Companies are also making use of social media platforms for communication and marketing in order to be in touch with their customers, employees and other stakeholders. Companies are making use of some recreational activities like picnics, gatherings and workshops to motivate their employees and foster team spirit. To reduce travelling costs, companies are making use of video-conferencing and audio-conferencing for organizing meetings. Thus we see that organizations are using a number of measures like developing their employees to take up bigger responsibilities and using better processes to reduce costs so that they can tide over the difficult times and come out successful.

**What should employees do?**

Employees need to give their 100% commitment and they need to stretch themselves, not only in terms of long hours but also in the form of commitment, ownership, adjustment and adaptability to the external environment and challenges. Employees need to think out of the box and be creative and innovative. Some experts say that employees should demonstrate resilience. The slowdown will eventually end. The employees who would have changed their habits and work patterns during this period should be able to return to normal. The employees should ensure cost-effectiveness as work shrinks during the crunch phase and reduce overheads by way of waste reduction. The cost of inputs has to be reduced across all functions and levels. Employees have to cut down company costs by proper use of stationery, reducing travel expenses by avoiding official travel if not necessary, avoiding personal phone calls, saving water and electricity and avoiding celebrations at company expense.

The expectations from the employees remain high as ever and to survive in the company, the employee must continually acquire new skills that organizations need to respond to changing customer preferences. The fundamentals of work life do not change. People will have to work harder and smarter and demonstrate that they are trying to increase productivity by keeping costs low. Employees who align with the organizational goals, in the changed situation, will benefit. They need to expand their network of friends outside the work area. They would have to work harder than in the past and be flexible about
the work profile to hold on to their job. In these challenging times, one cannot dictate his/her terms and has to be flexible. Across the board, employees should tone up their efficiency and move away from single skill to multi-skill competencies.

Organizations should care about employees

The most damaging effect of global slowdown has been on the human capital. While many companies have axed their ‘surplus staff’, most of them have done so without thinking whom they are letting go. While these layoffs impact individual employees and their lives, they also affect performances of companies because they often end up losing the right people. Even though voluntary attrition is much less as compared to a year ago, the low morale among staff makes the talented employees look out for safer jobs. In a downturn, corporate should be paying more attention to retain performers and only this can see them through this tough phase. However, organizations are not good at identifying talent. Leaders should understand the motivational needs of their employees if they want to successfully fight economic slowdown. Experts say that the best solution to this is to reward the performer. Giving incentives for performance, giving learning opportunities, visibility for talented individuals and even time-offs from jobs are ways of encouraging employees. HR practices like massive layoffs and across the board salary cuts without distinction of performers and non-performers can also prove counter-productive. Companies should ensure that the load of non-performers does not fall on performers and incentive is the key to boosting morale among the talented and induce others to work harder. A company should give a feasible amount of time for non-performers to improve and reward performance and only then take necessary action. Economic ups and downs will continue but good employees, once lost, will be gone for ever. It is just a matter of time when things will start looking up again.

Innovate and be Original

One thing that needs to be done is to innovate and be original. When other players give up on a particular opportunity, it is important to grab it and make the most of it. Some companies reduce on their promotion and advertising budgets during recession, thus making them less visible. This is not the right thing to do. Visibility is very important because absence of it will move your clients to other suppliers. Also, if a company reduces its prices during recession to attract customers, its sales will increase in the short run but sooner or later when the recession is over, the company will have to sell their products at normal price, making the customers feel that if the company could survive the recession with a huge price difference, were the products overpriced initially?

During recession, many companies reduce their customer oriented efforts and programs because they are not sure whether these efforts will bear fruit. This is a very negative way of looking at the situation. In fact, this is the time that the companies should tell their customers that they are stable enough and even if the economy is not
doing well, they will be able to overcome the hard times. Only those companies who are able to pursue new opportunities will be able to sustain or enhance market share. A company needs to focus on two main things. Firstly, its goal-setting process should be in line with the prevailing uncertainty and assess performance relative to what the environment suggests and the peers have achieved. Secondly, it needs to see where the current employees stand in the organizational structure and how they can be encouraged to see the company through difficult times.

The organization should utilize lean time to engage employees in professional development and technical training programs, which serves both to sharpen skills and to preserve morale during tough times. The company should encourage cross-functional exposure which improves utilization of human resources and encourages teamwork between employees who were not in much contact earlier. The company can increase the spheres of authority and responsibility of their star employees which allows assessment of the leadership potential of individuals who may eventually occupy senior positions in the organization. The company can hire talented people from other organizations where there is fear of downsizing and augment the company’s human capital base for long term growth.

The company should try to eliminate unnecessary expenses. Paper work should be reduced to the minimum and a soft copy of all documents can be used. Benefits to employees like free tea, coffee coupons can be stopped till things get under control. Subscriptions of newspapers and magazines which have no readership can be discontinued for the time being. Working lunches can be arranged instead of full-fledged lunch banquets. All these things will finally benefit the company.

Some companies may have to go for corporate re-structuring, especially if they are incurring losses. Financial discipline needs to be undertaken so that costs can be cut without resorting to laying off employees. Proper utilization of capacities needs to be done; deserving employees should be rewarded so that they work with a higher motivation than before.

**Conclusion**

Since this is not the first time that the world has faced a recession, many things can be learnt from what strategies were used during the big depression of the 1930’s. We can reflect on the approaches that had worked well in the past and that suit our vision to earn new business now. As the saying goes, ‘When the going gets tough, the tough get going’. This is the time when every organization needs to bring in new ideas and new processes and there is no better time to do this than the present. We need to get these ideas implemented so as to be ready for the turnaround. When the recession ends, things can be different. Current players may give way to new players and it will be only ‘survival of the fittest’.
Nano Strategy: Focusing on the Bottom of the Pyramid

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Abstract
The introduction of the Nano car by Tata Motors has been a great success. The basic strategy in the success has been to focus a product at the need of the bottom of the pyramid. If a product of satisfactory quality is offered towards the bottom of the pyramid, it generates a large demand. Similar products like "Nano Flat" for low priced residential accommodation have been talked about. After Transport, Communication, Accommodation and Food, the focus of Nano Strategy can be on professional education - particularly management education which is useful for all levels of employees, as well as all sizes of entrepreneurs.

Basics of the Strategy
The introduction of Nano, car by Tata Motors has been a great success. The production is booked for several years. The basic strategy in the success has been to focus a product at the need of the bottom of the pyramid. The demand for a product as compared to its price can be viewed as a pyramid. Lowest demand is at the topmost price. As we come down the pyramid, demand grows very rapidly. If a product of satisfactory quality is offered towards the bottom of the pyramid, it generates a large demand.

The introduction of Nano, when the Indian Automobile Industry was facing a recession has made a sea change. The product has released the entire automobile industry in India from the clutches of recession. This has led to the imagining of other possible products which can be offered with the Nano Strategy i.e. aiming towards the bottom of the pyramid.

This idea was used in Automobile Industry by Henry Ford I when he offered Ford Model T. It was an instant success as it was the lowest priced car with quality performance. The important part of the success of Model T was the mass production
technology used in assembling the car. The parts acquired from various suppliers were brought onto the assembly line where workers with minimal skill were made to perform a small cycle of the production process. This enabled Ford to hire workers at almost the minimum wages and create an unprecedented production rate of one car a minute. The production system prior to the introduction of Model T was of a group of highly skilled workers producing cars, unit by unit. The reduction of production cost made the Model T concept cost effective - and ultimately a success.

Similar products like “Nano Flat” for low priced residential accommodation have been talked about. However, unless the production technology is made cost effective, this will not be a success. So, the basics of the Nano Strategy are:

- Identify the need for a large sector of consumers.
- Offer them the product at the price and quality they find acceptable.
- Produce the product with the cost effectiveness which will generate a surplus in the production.

**Examples of Nano-Strategy**

**Successful cases -**

**Maruti Car:** Maruti car itself when introduced at Rs.40, 000/- was a Nano product. It took over 80% of the market share not only because of its cost, but also because of quality and productivity which were superior to the other two passenger car in the market at that time i.e. Hindustan Ambassador and Premium Padmini (popularly called Fiat). The product was so successful that the old competitors became virtually bankrupt and new competitors with improved technology and better pricing came into the market.

**Mobile Telephones:** Another example is the introduction of mobile telephones. At one time the mobile telephone was considered an elite product meant for the top of the pyramid - both because of the cost of the instrument as well as cost of the service per call. Reliance introduced the instrument at a low cost and brought the cost of service so low that almost everybody could afford the mobile. There is a legend that Anil Ambani went to Dhirubhai asking his opinion about introduction of mobiles. Dhirubhai said, “The lowest cost of communication in India is Rs.2/- i.e. the cost of a post card. If you can make the service available at a cost less than that, then alone it will be a success”. Now the cost per call has come down to the level where even a vegetable vendor or auto driver can afford to use the service.

**Dabbawala System:** The system of delivery of lunch from your house to the work place at a low cost with reliability and punctuality is another success of Nano Strategy aimed at the middle and lower class employees. The system has been successful largely because of the use of suburban local trains in Mumbai which are reasonably punctual and reliable. Most of the dabbawalas belong to a specific community and their mutual affinity has also been a factor for the success of the system. It has not been possible to replicate the system on a large scale in any other metro city in the world.

**McDonalds Fast Food:** This is another example where low cost food with quality and high sanitation/hygiene standards is available for the lower middle class. In spite of being inexpensive it was also cost effective and so became a long term success.
Failures -

Zunka-Bhakar: There have been failure cases too. The Shiv Sena Government introduced the idea of Zunka Bhakar at a cost of Rs.1/- to have a low-cost meal for everybody. The Zunka Bhakar stalls were given – but the production cost was not brought down. So ultimately Zunka Bhakar was a loss proposition. As a result Zunka Bhakar stalls sold everything except Zunka Bhakar and the project was a total failure. Only for a few hours, the Zunka Bhakar is sold subsidized by some charitable trusts.

Similarly, providing overnight accommodation to travelers in railway stations and airports has not been a success. This accommodation is available at a low cost but it is not adequate and the quality of service is generally very poor so the product has not been a success. The Housing projects of MHADA and similar organizations have not been a success because of the low availability, consequent corruption and low quality of housing provided.

During the period of emergency (1975-77) the Government tried to provide popular dishes like Masala Dosa at a rate which was less than the cost. As a result Sada Dosa was costing more than Masala Dosa in these restaurants and the project was a failure. So cost effectiveness is an important factor to be considered in operating the Nano Strategy.

The university degrees in management are fairly cheap costing about Rs.60, 000/- for a two year program. However, they are not satisfactory since they do not prepare students for high-salary jobs. Institutions charging Rs.2 lakhs to 20 Lakhs are more successful in getting jobs, but this has made management education prohibitive to the lower levels of the pyramid.

Perhaps a Nano Management Program can be introduced which will cost Rs.25000/- per semester or Rs.1 lakh for the two year MBA program. It can teach hard skills in functional management sectors as follows:

- Production Management: Allocation of Men, Materials and Machinery using techniques like production planning, inventory control and network analysis (PERT).
- Marketing Management: The basics of identifying the need, converting need into want, want into availability, availability into purchase, purchase into use and use into satisfaction so that there is a repeat purchase and the marketing cycle continues.
- Finance Management: Understanding the basic book keeping system giving the balance-sheet and profit & loss statement, Cost / benefit analysis and analysis of project financing.
- Human Resources (Personnel) Management: The understanding of labor laws, labor unions, appraisal & incentive systems and personnel administration.

Concept of Nano Management Program

After Transport, Communication, Accommodation and Food, the focus of Nano Strategy can be on professional education - particularly management education which is useful for all levels of employees, as well as all sizes of entrepreneurs. In the past, this education was reserved for the elites scoring high marks. However, as this became a business in terms of cost/benefit analysis, it has spread to all persons who can afford to pay the fees.
This hard skills program has to be supplemented by soft skill program. While hard skills can be taught, the soft skills have to be caught by observation of actual organizations. The typical management student may not have any experience in industry or business but he has extensive experience of two types of organizations:

- **Home:** Where he has lived for 20 years and could observe the various relationships influencing the power dynamics.

- **Educational Institutions:** He has seen different levels of authority, discipline and motivation in action in the several educational institutions he has passed through.

This type of Nano management program can be conducted in one year instead of the two year MBA program. Efforts have been made to offer a one year “Executive MBA” program for persons who have experience in business / industry. If the students experience at home as well as in various educational institutions can be interpreted effectively, the person can “catch” the soft skills required for management.

However, a two year management program is recommended since it gives time for the student to absorb professional academic culture – different from the culture he has experienced in his graduation studies leading to B.A., B.Sc. or B.Com. It is also desirable for a student to do a continuous learning as long as economically possible; because once his learning stops it is difficult for him to get an opportunity for entering the academic atmosphere. A longer exposure to this atmosphere can give him his insights other than management skills as generally the students in the MBA programmes have a cosmopolitan culture – coming from different parts of India.

**Concept of God**

The most successful product introduced by Nano Strategy is the concept of God. It is made available to the bottom of the pyramid only at the cost of self-torture so people requiring Dharm Darshan (Free Viewing of the God) are required to pay through the currency of self-torture by standing several hours in the queue, – while those who can pay are allowed to have more comfortable viewing of God. God is a product required at all levels. After all, the success of an individual is given by the equation: 

\[
\text{Success} = \text{talent} \times \text{efforts} \times \text{luck}
\]

While talents and efforts can be improved to give better result, if the luck is zero the product is zero. So there are efforts to influence luck and the concept of God has been offered as the Nano product for this purpose. That is how in every religious gathering, the bulk is made up from the bottom of the pyramid. Not only they have to stand long hours, but also subject themselves to additional tortures like walking long distances (without use of any transport), starving due to fasting, rituals, abstaining from sex etc. These are the ways people try to induce God to influence their luck. In every religion, taboos are made relating to fundamental necessities of human being i.e. food and sex to make him eligible for divine intervention. This system started about 10,000 years ago with the advent of civilization when man felt that he could get his increasing needs satisfied to a greater extent by influencing luck. Thus, the concept of God is the oldest example of a successful Nano Strategy. As Gandhi ji put it: “A poor man who has nothing – needs God” and consequently the bottom of the pyramid ensures a large demand for the Concept of God.
The Great Soul of China

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Abstract
China is still a mystery for many of us in India despite information overload in the recent past through various media about that country. This article is a personal account of the author based on his experiences and general impression about China while working in that country for 4 years. This could interest those in international business management.

Introduction
On my first trip to China in 2002, I paid a visit to one of the great wonders of the world, located near Beijing. The majestic Great Wall of China, to me, represents the soul of China! The grit and determination in building the longest man made structure over many centuries under different dynasties represents what China is today, in all facets of life. Standing on top of the wall which is built on a range of hills, I thought, going back in history, of those who conceived, designed, organized men and material, built and perished in the process of its creation. Thousands and thousands of men shaping and carrying tons and tons of stone, earth and wood, all came to life at that moment. The very stone on which I was standing would sure have innumerable stories to tell, having been there, weathering seasons after seasons and footprints of millions of people! Isn’t that overwhelming?!

General Perceptions
The general perception of China being a mysterious, closed and conservative country where fundamental freedom of people is curtailed seemed unfounded as...
I experienced the pulse of the country seven years ago. My personal views on China had evolved since 1993 when the company I worked for, decided to start a manufacturing unit there. Classmates from China for the MBA I was doing at the Asian Institute of Management in Manila further strengthened my own perception of China as a progressive, knowledge-hungry country with intelligent and warm-hearted people. To top it all, my posting in China for 4 years from 2003 gave some insights into the country, the people and their culture and business practices.

Reams and reams of paper have been written about China. Nevertheless, my first hand experience in China, I thought, would be of interest to some of the uninitiated or could add to the wealth of information to some others, in the field of international business management!

**Infrastructure**

While there are many entry points, the popular ones into China via the political capital-Beijing, or the commercial capital-Shanghai, will give a preview of what one can expect ahead. The Beijing Capital International Airport and Shanghai’s Pudong International Airport have been progressively swelling with crowds over the past 20 years or so and there never seems to be a dull moment with flights from all over the world converging to these two hot destinations. The modern design and impeccable maintenance and service of these airports speak volumes of the transformation China has systematically gone through. The immigration and customs procedures have been simplified to a fast track operation that even some of the advanced countries could take a lesson or two. Some of us won’t miss Mumbai or Delhi when we come out of the airports, thanks to the taxi drivers and agents surrounding visitors like flies with special offers for the ride to their destinations. In this melee, another group of waiting agents would stuff a big bunch of name cards of hotels and massage parlors on to your hand or pockets or underneath the luggage handles or wherever they could find some space. Taking the regular taxi queue is always a better idea as anywhere else.

The wide roads and surrounding greenery or lifeless trees covered with snow – depending on the season you fly in – as one comes out of the airport soon will give way to the concrete jungle. High priority given to the well planned, developed and timely executed infrastructure underscores the changeover of China from a poor third world country to one of the fastest growing economies of the world. They are still not done and to meet the needs of more than 1.3 billion citizens it sure would take decades. Nevertheless, the iron hand applied in completing all planned infrastructure well within the time schedules indicate that they are very much on course with no ifs and buts.

**Choosing a Strategic Partner**

Doing business in China today is almost a cakewalk in general. However, when my erstwhile organization was planning to establish a manufacturing unit in 1993 in the north eastern province of China, things were not so easy. Language and then the regulation that foreign enterprises could not own 100% stake in a company compelled one to form a JV with a local partner. While
there were many positive sides for a JV, there were some serious shortcomings too as it was found out later. The local partner would want the JV to procure materials from vendors of his choice, appoint employees of his preference, provide no or half baked inputs / information on key local issues and so on. Zeroing in on the right JV partner was hence the key to a successful business establishment.

**Communication**

Communication seems to be the single most difficult hurdle to face for any foreigner as one step into China, be it for tourism or business. With many foreign companies investing into China, increasing traffic of tourists and the government’s concerted efforts to popularize English to the young as well as older population of the country, one will find communication much easier these days compared to what it was earlier. Today many Chinese can converse in English. Universities and schools in China actively promote English and students can take English or other foreign languages as their main course of study. In their effort to connect with the rest of the world and keep pace with the advancements in science and technology, many government, administrative and business officials can today speak English reasonably well.

**FDI**

Rules & Regulations have since been amended in favor of foreign direct investment in China. Today, an overseas investor can incorporate 100% foreign owned enterprises. Free Trade Zones (FTZ) have been established at various locations and the government machinery is all out to support any value adding manufacturing or high technology ventures. Establishing a direct rapport with local government officials, vendors and all external and internal stake holders through a reliable interpreter, until one’s own employees get a hang of the language, could solve many problems.

It is necessary for any investor to check if the proposed business / technology / service fall under the restricted list. FDI in Banking, Insurance and Media are some of the restricted ones. Once this is clarified, the investor just needs to contact the concerned local government officials with the proposal to get all the necessary support to identify locations, land, organize utilities etc. With the overheated economy in the recent past, the administration has begun to pick and choose investments. Polluting industries and businesses that do not bring in high technology or considerable value do not receive the same welcome as it used to be in the past. The fourth largest steel plant in China based in Beijing Municipal Limits was forced to re-locate to Hebei Province due to major pollution concerns prior to the 2008 Beijing Olympics.

**Work Force**

Once adequately trained, the work force is generally dependable. Strikes or ‘bandhs’ are not allowed though an employee union is present in all manufacturing organizations to take care of employee welfare and to coordinate with the management on any problem or issue concerning workers. This constructive approach adds to productivity. Lunch and dinner breaks starting sharp at
12:00 noon and 19:00 hrs respectively are two important time sessions in the daily routine of all Chinese people. Nothing can stop this practice and if anyone attempts, be sure that the rest of the proceedings, past the fixed time, will not be productive! Moreover, it is considered impolite to keep anyone engaged after these fixed time.

And on eating habits, anything that moves is food (except human beings as far as I know). Experience it, to believe it! The Chinese food available in India have been thoroughly localized to suit the palates of the general public. If one expects the same stuff in China, he/she should be ready for a big shock! Veggies, unless accompanied by an interpreter or armed with the right Chinese lexicon for the specific food they need, will have to survive on bread or fruits! Even the non-vegetarians may face the problem of plenty, variety and further, taste of the preparation too!

**Perceptions about Indian Business**

Despite the border skirmishes between the two countries and differences of opinion on some political issues, Indians are well accepted in China and people from the two countries get along very well. Just that the perception of the Indian business class has gone down and dented in the eyes of the Chinese. Tagged as the manufacturing hub of the world, hoards of Indian businessmen scrambled to visit and get quotes/price ideas on a huge number of products, projects and services from multiple agencies including producers, traders, agents and middle men but only a miniscule of them were converted into gainful contracts/businesses. This led to the Chinese concluding that their hard work in preparing offers (especially for big projects) and entertaining visitors have been a total waste of time, energy and money. As a result, unless one has the right connection or has done business in the past, it is very hard to get an offer from China nowadays.

**China’s Economy**

The world might be on an unprecedented economic down turn but China has been growing at a rate of 9.0% (est. 2008). Since the time China adopted market oriented economy, the country has gradually liberalized prices, enhanced autonomy of state enterprises and generally implemented reforms in a slow or case to case basis. The Chinese currency, Yuan, was closely pegged to the US dollar for years but in July 2005 re-valued it by 2.1% against the US dollar and moved to an exchange rate reference system based on a basket of currencies. The restructuring of the economy and resulting efficiency gains is reported to have contributed to a more than tenfold increase in GDP since 1978. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2008 stood as the second-largest economy in the world after the US, although in per capita terms the country is still lower middle-income. Annual inflows of foreign direct investment in 2007 rose to nearly $84 billion. By the end of 2007, statistics show that nearly 7000 domestic Chinese enterprises had made an aggregate $118 billion in direct investments in 173 countries and regions around the world!

The Chinese government faces numerous economic development challenges like
sustaining adequate job growth, new entrants to the work force and workers laid off from state-owned enterprises, reducing corruption and other economic crimes, containing environmental damage and social strife related to the economy’s rapid transformation. Economic development has been more rapid and concentrated in coastal provinces than in the interior. An estimated 200 million rural laborers and their dependents have relocated to urban areas to find work. In late 2008, the global economic downturn began to slow foreign demand for Chinese exports for the first time in several years. The government vowed to continue reforming the economy and emphasized the need to increase domestic consumption in order to make China less dependent on foreign exports for GDP growth in the future.

Are the citizens of China complaining? Yes and No! Those who swear by political freedom and freedom of expression / speech are not at all happy and cries foul of massive human right violations. They feel fundamental rights & freedom for press and citizens should be at par with the rest of the world. Those who are only concerned of their daily lives and do not hold political ambitions or undue interest in comparisons with the rest of the world are relatively content. The country is making all round progress with great determination and today they are a force to reckon with in the global scenario, thanks to the government’s systematic planning and execution of policies and projects with no interruptions like the kind we see in India. For those planning to visit China or interested in this country, I recommend going through the site, https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html and also http://www.china.org.cn/english/GS-e/44.htm for more information and statistics.

Conclusion

The great soul of China remains unperturbed, painting colorful (and sometimes painful) pictures of its rich history and endurance coupled with futuristic ambitions!

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Abstract
The Government of India passed the Limited Liability Partnership Act 2008 in January, 2009 to address these issues. In spite of this, LLP form of organization is yet to get the required response. This article is an attempt to bring more awareness for this form of organization by highlighting the LLP’s features like – meaning of LLP, its special features, suitability for specific type of business ventures, tax efficiency, comparative analysis, conversion to LLP and concerns & issues etc.

Backdrop
The success of a business enterprise depends on several factors. One such important factor is the selection of right form and size of organization. The Business forms include – Sole Proprietorship concerns, Partnership firms and Limited Companies. The size of an organization could be Small, Medium or Large. Depending on the nature of business and type of Industry etc, one has to decide on the Form and Size of organization.

On January 9th, 2009, The Government of India passed an Act called “The Limited Liability Partnership Act, 2008” . With the passing of the Act, a new form of organisation was introduced in India. In this article it is proposed to deal with subjects like- “the need for introducing LLP”, “Its special features”, “how does it differ from other forms”, “its suitability to certain type of business”, “Is It tax efficient?”, “Is it advisable to convert to LLP” etc.

The Need for LLP
The need for LLP has arisen mainly due to limitations of Sole Proprietorship concerns, conventional unlimited Liability Partnership
Firms and Limited Companies. To state a few:-

- No separate legal entity for Sole proprietary concerns and partnership firms,
- Absence of Perpetual Succession
- Unlimited liability of proprietor/Partners
- Restriction in the number of members viz. one for Sole Proprietor, Ten for Banking and Twenty for other Business
- Huge secretarial and statutory compliance requirement under various laws for Limited Companies
- Tax burden on companies due to Minimum Alternate Tax (MAT), Dividend Distribution Tax (DDT) etc.

Taking the above factors into consideration, a need was felt to develop a business format combining the salient features of a partnership and the advantages of the limited liability aspect of the corporate structure at a low compliance cost, resulting in the concept of Limited Liability Partnership.

**The concept of Limited Liability Partnership (LLP)**

The LLP is a separate legal entity. It is liable to the extent of its assets. However, the liability of partners is limited to extent of agreed contribution to LLP. Further, a partner of LLP is not liable for independent or unauthorized actions of other partners. Thus individual partners are protected from joint and several liabilities arising out of wrongful business decisions or misconduct of other partners.

The rights and duties of partners are governed by an agreement between the partners or as provided under Schedule I of the LLP Act.

LLP therefore contains the features of both a “corporate structure” as well as “Partnership Firm Structure”. Hence LLP is called a Hybrid between a Company and a Partnership Firm.

LLP is a body corporate and has a separate legal entity from its partners. It therefore has a perpetual succession.

**Salient features of LLP Form of partnership firm**

1. An organized model and operates on the basis of an agreement.
2. It is a flexible form of organization without the necessity for complying detailed legal and procedural requirements.
3. It facilitates professional and technical expertise organizations to combine their risk taking capacity in an effective, innovative and efficient manner.
4. While a minimum of two partners are required for formation of an LLP, there is no limit for the maximum number of partners. The partners to LLP can be individuals as well as body corporate.
5. Any individual or a body corporate can become a partner in LLP except in the case of
   a. A Person who is found to be of unsound mind or
   b. An undercharged insolvent or
   c. A Person who has applied to be adjudged as insolvent and his application is pending.
6. Appointment of at least two designated partners shall be mandatory for a LLP. The designated partners shall be individuals and at least one of the designated partners should be resident in India. Corporate partners need to nominate individuals as designated partners. The designated partners shall be accountable for all regulatory and legal compliances. Besides their liability as “Partners per se”.

7. The LLP’s are registered with the Registrar of Companies.

8. Every LLP shall have a registered office.

9. Every LLP shall have an incorporation document subscribed by at least two partners delivered to the registrar in the prescribed form.

10. While the economic rights of partners are freely transferrable, the non-economic rights (management participation) are not transferrable.

11. The Name of the LLP must end with either the words ‘Limited Liability Partnership’ or the acronym ‘LLP’.

12. Every partner is an agent of the LLP and not of the other partners.

13. An LLP must prepare a ‘Statement of Accounts’ and ‘Solvency Statement’ within a period of 6 months from the end of the financial year to which the statement or solvency relates - The statements must be filed with the Registrar

14. Every LLP must file an annual return with the Registrar within 60 days of the end of the financial year – the annual return should be accompanied by a certificate from a company secretary confirming the veracity of the particulars/statements contained in such annual return.

Is LLP form unique to India?

The LLP structure form of organization is also available in other countries like United Kingdom, United States, Australia, Singapore and other Gulf countries etc.

How does it differ from Other Forms?

Under conventional partnership firm, every partner is jointly and severally liable for all acts of the firm done while he is a partner. Where as, in an LLP structure, the liability of the partner is limited to his committed contribution. Further, a partner is not liable for the independent or unauthorized or wrongful act or misconduct of other partners.

The fundamental difference between the LLP and Limited Company is in respect of the internal governance structure of the company, which is regulated by the Companies Act 1956. Where as, for a LLP, it is based on the contractual agreement between partners. The separation of management and ownership is an inherent feature of a company while it is not there in the case of a LLP. LLP has much more flexibility and less compliance requirements as compared to a company.

For detailed element wise comparison please refer to the table appended at the of the article.
**Applicability and suitability of LLP Act**

Any two or more persons can associate to form a LLP for carrying on a lawful business with a view to make profit. India has been witnessing tremendous growth in service sector and the quality of our professionals is acknowledged internationally. It is imperative that the entrepreneurship knowledge and risk capital combine to provide the requisite thrust to facilitate economic growth. It is therefore felt that the LLP type of framework would be highly suitable for enterprises like

- **Service Organizations**
- **Knowledge and Technology based Organizations** where the corporate form is a constraint.
- **Professional Organizations** such as Chartered Accountants, Cost & Work Accountants, Company Secretaries, and Advocates etc.
- **Venture Capital Organizations**
- **Professionals and Enterprises engaged in scientific, Technical or Artistic disciplines.**
- **Any activity relating to Research, Design and provision of services.**
- **SME (micro, small, and medium Sector) Enterprises.**

**Tax Liability of LLP**

- Treated in a similar manner to that of a partnership firms and taxed @30.90%
- Profits are exempt in the hands of partners.
- No MAT applicable.
- No DDT applicable.

**Tax Efficiency of LLP**

A comparison of Tax liability of LLP with a Company as per the existing provisions will reveal that LLP is tax efficient to the extent of 14.31% as can be seen from the table below.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>LLP</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Before Tax</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Less Income Tax</td>
<td>30.90</td>
<td>33.99</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>69.10</td>
<td>66.01</td>
</tr>
<tr>
<td>Less Dividend Distribution Tax</td>
<td>-</td>
<td>11.22</td>
</tr>
<tr>
<td>Disposable Profit</td>
<td>69.10</td>
<td>54.79</td>
</tr>
<tr>
<td>Tax Efficiency</td>
<td>14.31</td>
<td>-14.31</td>
</tr>
</tbody>
</table>

Further, with the proposed Direct Taxes Code Bill, the comparative position of LLP viz a Company will be as under

<table>
<thead>
<tr>
<th>Particulars</th>
<th>LLP</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax rate</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Dividend Distribution Tax</td>
<td>-</td>
<td>15%</td>
</tr>
<tr>
<td>MAT</td>
<td>-</td>
<td>2% on value of gross assets</td>
</tr>
</tbody>
</table>

* It has been assumed that no Surcharge or Education Cess would be applicable.

It will be seen that LLP stands to be tax efficient in this scenario also.

**Conversion to LLP**

**Partnership Firm:**

- An existing partnership firm may be converted into an LLP and may comprise of the existing partners and no one else.
Private Company:
• A private limited company registered under the Companies Act, 1956 can convert itself into an LLP provided all the shareholders of the Company become partners of the LLP and no one else.

Unlisted Public Company:
• An unlisted Public Company registered under the Companies Act, can convert itself into an LLP provided all the shareholders of the Company become partners of the LLP and no one else.

A Listed Public Ltd. Company
• A Listed Public Ltd. Company cannot convert into an LLP

Compromise, arrangement and reconstruction:
• The Act provides for compromise and arrangement between the LLP and its creditors/partners. The Act also provides for reconstruction of LLPs.

Limited Liability Act Issues
Limited Liability partnerships are in infancy stage of development, and certain key issues need to be addressed for acceptance of this form of business organization.

a. The meaning of security of interests of Assets is ambiguous and needs to be defined precisely to facilitate conversion of other forms of business organization to LLP.

b. There is no provision for consent of lenders to be obtained before conversion to Limited Liability Partnership. Since the lenders have a stake in the existing business organization it would be fair to have a suitable provision for protection of their interests.

c. For professional firms like CA’s, Advocates etc., the accounts of the firm are largely a private affair, except for the disclosure to the tax authorities. Whether the new provision for disclosure would be acceptable to legal and professional firms remains to be seen.

Significant differences between an LLP and a general partnership

<table>
<thead>
<tr>
<th>#</th>
<th>Limited Liability Partnership</th>
<th>General Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Liability of Partners limited to the committed contribution.</td>
<td>Liability of Partners is unlimited.</td>
</tr>
<tr>
<td>2</td>
<td>Partners are not jointly liable for acts of other partners.</td>
<td>Partners are jointly and severally liable.</td>
</tr>
<tr>
<td>3</td>
<td>LLP is a body corporate having a separate entity and perpetual succession.</td>
<td>Partnership firms do not have a separate entity and perpetual succession.</td>
</tr>
<tr>
<td>4</td>
<td>Incorporation is mandatory</td>
<td>Registration of partnership is optional</td>
</tr>
<tr>
<td>5</td>
<td>Filing of accounts, statement of solvency and annual return are Mandatory.</td>
<td>No such requirement.</td>
</tr>
<tr>
<td>6</td>
<td>No restriction on number of partners</td>
<td>Maximum partners restricted to 10 for Banking business and 20 for others.</td>
</tr>
</tbody>
</table>

Significant differences between an LLP and A Company

<table>
<thead>
<tr>
<th>#</th>
<th>Limited Liability Partnership</th>
<th>Incorporated Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Incorporation procedure - simple and expeditious.</td>
<td>Incorporation procedure – complex and time consuming.</td>
</tr>
<tr>
<td>2</td>
<td>Flexible management structure</td>
<td>Management structure usually complex</td>
</tr>
<tr>
<td>3</td>
<td>Internal Governance is purely the discretion of the partners involved</td>
<td>Internal Governance is as laid down by the Companies Act.</td>
</tr>
</tbody>
</table>
Partners are entitled to actively participate in management. Usually, owners are the managers in case of an LLP.

Shareholders do not ordinarily participate in day to day management. Usually, management of the business is delegated to professionals.

No provision relating to redressal in case of oppression and mismanagement.

Elaborate provision relating to redressal in case of oppression and mismanagement.

Limited statutory compliance.

Complex statutory compliance requirements.

Conclusion

The LLP Act is a positive step in the right direction. The LLP form of business organization has a hybrid structure which combines the benefits of the Limited Company as well as the flexible feature of a conventional Partnership Firm. This form of Business Organization is highly innovative & appealing. Further, it is ideally suited for small and medium size entrepreneurs, service providers and professionals. LLP’s are likely to significantly contribute to the improvement efficiency of business and to facilitate the participation of Indian firms in the global markets.

References

1. Guide To Companies Bill And Limited Liability Partnership Bill by Taxmann Publications Pvt Ltd


Web References:

1. Steps in incorporation of Limited Liability Partnership Firm (LLP) – Taxguru.in

Inflation in India: Trends, Status and Issues

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Abstract
Price instability caused by either inflation or deflation is one of the most critical problems encountered by a monetary economy. Inflation is a sustained rise in the general price level or a persistent decline in the purchasing power of money. All monetary economies, during certain phases of their growth, have experienced mild or severe inflation. This paper is on inflation in India, a topic of current interest to the public, policy makers and research community. The current state of inflationary condition in India is the major reason why this theme has been chosen for introspection. Inflation rate in India has dived from a thirteen-year high of 12.91 percent during the first week of August 2008 to three decade low of -1.74 percent during the first week of June 2009 (provisional figure for the week ended on June 01, 2009). Thus, within a span of just ten months India has witnessed a very high inflationary trend. This paper gives a special focus on the issues in the measurement of inflation in India along with the analysis of inflationary trends and its current status. This will be followed by a review of inflationary trends in India from the 1950s to the present times. The concluding observations along with a few suggestions are presented in the last section.

Introduction
The Indian economy has been registering stupendous growth after the liberalization of Indian economy. The opening up of the Indian economy in the early 1990s had increased India’s industrial output and consequently has raised the Inflation rate in India. The stupendous growth rate of industrial output and employment has created enormous pressure on the inflation rate. The Reserve Bank of India and the Government of India are concerned about the continuous rise in the inflation rate. The present rise of inflation rate in India can be harmful to the projected growth of Indian economy.

The main cause of rise of India Inflation Rate is the pricing disparity of agricultural products between the producer and end-consumer. The impact of high oil prices has been the second reason why prices have increased. Thirdly, the impact of policy neglect of agriculture over the past two decades is finally being felt and has introduced the inflation in Indian Economy. Fourthly, there is the impact of changes in market structure, which allow for greater international speculation in commodities.
Measurement of Inflation in India

In general, inflation is measured by calculating the percentage rate of change of a price index, which is called the inflation rate. The price index is an indicator of the average price movement over time of a fixed basket of goods and services. There are many possibilities for the measurement of inflation, viz., annualized/fixed base; annual point-to-point/average, where the frequency could be annual / quarterly / monthly / weekly for the price index. There are different indictors used to measure inflation namely Wholesale Price Index (WPI), Consumer Price Index (CPI) and the GDP Deflator or Implicit Price Index, which is constructed from the National Income Data.

Wholesale Price Index (WPI)

WPI was first published in 1902, and was one of the economic indicators available to policy makers until it was replaced by most developed countries by the Consumer Price Index in the 1970s. WPI is the index that is used to measure the change in the average price level of goods traded in the wholesale market. The existing WPI series in India, with base year 1993-94=100, comprises 435 commodities classified under the three major groups viz., (i) primary articles (98), (ii) fuel, power, light and lubricants (19) and (iii) manufactured products (318) with weights of 22.02 per cent, 14.23 per cent and 63.75 per cent, respectively. It is also the price index which is available on a weekly basis with the shortest possible time lag only two weeks. The Indian government has taken WPI as an indicator of the rate of inflation in the economy. The WPI is only a commodity price index and it does not capture price changes in non-commodity producing sectors viz. services and non-tradable commodities. India is the only major country that uses WPI as a measure of headline inflation. Most of the developed countries use the Consumer Price Index (CPI) to calculate inflation, as this actually measures the increase in the cost of living.

Consumer Price Index (CPI)

CPI is a statistical time-series measure of a weighted average of prices of a specified set of goods and services purchased by consumers. It is a price index that tracks the prices of a specified basket of consumer goods and services, providing a measure of inflation. India is the only major country that uses a wholesale index to measure inflation. Most countries use the CPI as a measure of inflation, as this actually measures the increase in price that a consumer will ultimately have to pay for. CPI is the official barometer of inflation in many countries such as the United States, the United Kingdom, Japan, France, Canada, Singapore and China.

In India, there are four official series on CPI that are specific to different groups of consumers:

1. The Consumer Price Index Numbers for Agricultural Laborers and Rural Laborers (CPI-AL/RL): measure the extent to which the retail prices of a fixed basket of goods and services consumed by agricultural and rural laborers have changed when compared to the base year. The current series of Consumer Price Index Numbers for Agricultural and Rural Laborers on base
1986-87=100 was released in November, 1995 replacing the old series on base 1960-61=100. The prices are collected every month from 600 sample villages spread over 20 States of India in respect of the items included in the index basket of each State representing the consumption pattern of the target population. The weighting diagram for the series was derived from consumer expenditure data obtained from the 38th Round of the National Sample Survey (NSS) conducted during 1983. The indices are compiled for 20 States on monthly basis. An all-India index for a month is compiled as per the methodology approved by the Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL) and released on (or last working day before) 20th of succeeding month.

2. Consumer Price Index for Industrial Laborers (CPI-IW): The Current series of CPI(IW) on base 1982=100 replacing the old series of 1960 base with effect from October, 1988, covers industrial workers employed in any one of the seven sectors namely factories, mines, plantation, railways, public motor transport undertakings, electricity generation and distribution establishments as well as ports and docks. The index covers only manual workers irrespective of their income. The weighting diagram for this index was derived by conducting a Working Class Family Income and Expenditure Survey (WCFIES) in 70 selected centres.

3. Consumer Price Index for Urban Non-manual Employees (CPI-UNME): An urban non-manual employee is defined as one who derives 50 per cent or more of his or her income from gainful employment on non-manual work in the urban non-agricultural sector. The current CPI (UNME) series with base 1984-85, introduced in November 1987, derives the weighting pattern from the family living survey conducted during 1982-83 in 59 selected urban centres.

**GDP Deflator/ GDP Price Index**

The GDP price index, as apposed to CPI index, measures the average price level of all goods and services included in the GDP estimates. Also the base year for the GDP price index is year 2000. The closer the year in question is to the base year, the more accurate is the measure of real GDP. That is why the GDP price index is shifted frequently and called the GDP deflator to reflect the change in price level of the goods and services produced. While the GDP price deflator is not reported as frequently as the CPI (quarterly versus monthly), it does provide a more comprehensive measure of the price level and thus, inflation. This is why the aggregate market analysis uses the GDP price deflator to measure the price level.

Economists, business leaders, and government policy makers often find it useful to convert current, or nominal economic indicators to real terms, that is to eliminate any inflationary increases of the nominal values. In fact, the “deflator” part of the GDP price deflator comes about because it is used to deflate nominal GDP to real GDP. The GDP Deflator is measured as follows:

\[
\text{GDP Deflator} = \frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100
\]
The measurement of inflation using WPI frequently produces unrealistic results as the ongoing WPI series in India suffers from a number of defects. The WPI does not properly measure the exact price rise an end-consumer will experience because, as the name suggests, it is calculated at the wholesale level, and more over, the services, which have assumed so much importance, do not come under the ambit of WPI. In fact, service sector forms an essential part of the consumption of everyone in the country, and which currently accounts for more than 52 percent of Indian GDP. Some of the criticisms against WPI are as under:

a) Divergent connotations of the concept of wholesale price
b) Changes in quality of products
c) Capturing shift in structure of economy
d) Non-inclusion of Services Sector
e) Weak price data collection mechanism
f) Inadequate measure of inflation

It is high time that India abandoned WPI and adopted a modified single CPI to calculate inflation on monthly or fortnightly basis. But India is not switching over to the CPI method of calculating inflation; the official justifications for continuing with the WPI measure are: (i) the problem of selecting one from the four different types of CPI indices, and (ii) too much lag and low frequency of reporting the CPI numbers. These problems can be solved if India could start computing a fresh series of a single overall measure of CPI at all-India basis on weekly intervals.

**Inflationary Trends in India**

It is useful to examine the co-movement of WPI inflation rates in pair-wise comparisons with alternative consumer prices indices, namely inflation rates of CPI-IW, CPI-AL, and CPI-UNME with a view to ascertaining whether historically the consumer inflation rates are reflected by the WPI inflation rates. The data required for the analysis in this section is collected from the Office of the Economic Advisor, Ministry of Commerce and Industry, Government of India, Reserve Bank of India (RBI), Labor Bureau, Ministry of Labor, and Central Statistical Organization (CSO) and The Economic Survey. There were two distinct phases in which the WPI inflation moved in relation to other CPI measures of inflation. Till 1998-99, all CPI inflation measures were significantly higher than the WPI inflation (except the CPI-Agriculture laborer measure in 1997-98). After 1999-00, these measures show greater convergence although WPI inflation has generally been higher. Table 1 summarizes this on an annual basis.
Table 1: Rate of Inflation based on different Indices (Percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>WPI</th>
<th>CPI (IW)</th>
<th>CPI (UNME)</th>
<th>CPI (AL)</th>
<th>GDP Deflator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>4.5</td>
<td>9.4</td>
<td>9.3</td>
<td>9.1</td>
<td>7.18</td>
</tr>
<tr>
<td>1997-98</td>
<td>4.3</td>
<td>6.8</td>
<td>6.9</td>
<td>3.4</td>
<td>6.46</td>
</tr>
<tr>
<td>1998-99</td>
<td>5.8</td>
<td>13.1</td>
<td>11.3</td>
<td>11</td>
<td>7.64</td>
</tr>
<tr>
<td>1999-2000</td>
<td>3.2</td>
<td>3.4</td>
<td>4.5</td>
<td>4.4</td>
<td>3.87</td>
</tr>
<tr>
<td>2000-01</td>
<td>6.9</td>
<td>3.8</td>
<td>5.6</td>
<td>-0.3</td>
<td>3.43</td>
</tr>
<tr>
<td>2001-02</td>
<td>3.5</td>
<td>4.3</td>
<td>5.1</td>
<td>1.1</td>
<td>3.34</td>
</tr>
<tr>
<td>2002-03</td>
<td>3.4</td>
<td>4</td>
<td>3.8</td>
<td>3.2</td>
<td>4.08</td>
</tr>
<tr>
<td>2003-04</td>
<td>5.3</td>
<td>3.9</td>
<td>3.7</td>
<td>3.9</td>
<td>3.12</td>
</tr>
<tr>
<td>2004-05</td>
<td>6.3</td>
<td>3.8</td>
<td>3.6</td>
<td>2.6</td>
<td>4.11</td>
</tr>
<tr>
<td>2005-06</td>
<td>4.3</td>
<td>4.4</td>
<td>4.7</td>
<td>3.9</td>
<td>4.34</td>
</tr>
<tr>
<td>2006-07</td>
<td>5.4</td>
<td>6.7</td>
<td>6.6</td>
<td>7.8</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Source: Economic Survey

The following observations can be made from the above table:

a. In the late nineties, the WPI has under-represented the movement in consumer price inflation. In 1996-97, the CPI inflation rates were nearly twice that of the WPI inflation rate. The under-representation is also noticeable in 1997-98 and 1998-99.

b. In more recent years, particularly in 2003-04 and 2004-05, the WPI inflation rate has overestimated the movement in consumer price indices.

We can also make this comparison on a monthly basis. The monthly point to point inflation is computed using the formula: Ln(Pm,1 / Pm,0)*100, where Pm,1 is the index number (WPI or CPI) in current month and Pm,0 is the index number in the same month last year. Charts 1, 2 and 3 show the trends of monthly point-to-point WPI, CPI-IW, CPI-AL and CPI-UNME inflation since April 1995. The behavior of CPI measures of inflation during this period is characterized by two major episodes: a period of high inflation that extends from the early liberalization (not shown) era through to 1999, followed by a period of relatively low inflation.
Figure 1: Annual Inflation as per Different Price Indices (Per Cent)

Annual Inflation as per Different Price Indices (%)

Inflation (%)

Years


Whole Price Index- General Trends

The new series with 1993-94 as the base has as many as 435 items in the commodity basket. In the revised series, “Primary articles” contribute 98 items, “Fuel, Power, Light and Lubricants” 19 items, and “Manufactured Products” provide 318 items. Table 2 summarizes the general trends in WPI.

Table 2: Inflation as on January 19, 2008, in Major groups (per cent)

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Weight (%)</th>
<th>Variations Cumulative</th>
<th>Change (April-January) Contribution</th>
<th>Variation Inflation (Year to Year) Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodities</td>
<td>100</td>
<td>3.18</td>
<td>5.93</td>
<td>100</td>
</tr>
<tr>
<td>Primary Articles</td>
<td>22.03</td>
<td>3.2</td>
<td>11.02</td>
<td>22.68</td>
</tr>
<tr>
<td>Fuel power light &amp; lubricants</td>
<td>14.23</td>
<td>4.47</td>
<td>1.74</td>
<td>30.36</td>
</tr>
<tr>
<td>Manufactured products</td>
<td>63.75</td>
<td>2.66</td>
<td>5.76</td>
<td>46.62</td>
</tr>
</tbody>
</table>

Source: Economic Survey
All the three major components of the WPI, viz. “primary articles”, “fuel, power, light and lubricants” and “manufactured products” showed a deceleration in annual inflation during 2007-08. There was a sharp deceleration in inflation of primary articles to 3.8 per cent on January 19, 2008, compared to 10.2 per cent a year ago. These commodities contributed 22 per cent to overall inflation as against 35.4 per cent in the previous year.

Figure 2: Annual Inflation in WPI (Major Trends)

![Annual Inflation in WPI (Major Trends)](image)

**Wholesale Prices – Primary Articles**

Primary articles are further sub grouped as food articles, non-food articles and minerals. All three components of primary articles – food, non-food and minerals – contributed more than proportionately to acceleration in inflation during 2006-07 and all three contributing (more or less in equal proportion) to the decline in primary articles and overall inflation in 2006-07. Table 3 summarizes the trends in the Primary Articles in percent terms

Table 3: Inflation as on January 19, 2008, in Primary Articles (per cent)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Weight (%)</th>
<th>Variation</th>
<th>Change</th>
<th>April-January Contribution</th>
<th>Variation Inflation</th>
<th>Year to Year Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Articles</td>
<td>22.03</td>
<td>3.2</td>
<td>11.02</td>
<td>22.68</td>
<td>40.1</td>
<td>3.82</td>
</tr>
</tbody>
</table>
From the above table food articles contributed 8.5 per cent to the overall inflation and their share in the inflation of primary articles was 38.4 per cent. The value of the index of the food articles, however, continued to show an upward trend till September 2007 and a decline thereafter. In the current fiscal so far, food articles with an inflation of 2.7 per cent contributed 13.1 per cent to the overall inflation. In non-food articles, inflation was significantly higher for fibers, particularly cotton. Oilseeds and other non-food crops (sugarcane) witnessed a deceleration in inflation. Deceleration in inflation in minerals

**Wholesale Prices – Fuel and Power**

Coal mining had an inflation of 8.8 per cent followed by mineral oils with an inflation of 5.8 per cent. The contribution of mineral oils to overall inflation was 18.8 per cent. The inflation of the subgroup “mineral oils” in the current fiscal year (over end-March 2007) was 6.2 percent compared to 1.2 per cent in the previous year. Mineral oils contributed nearly a quarter to the total build-up of inflation in the current year as summarized in

**Table 4: Inflation as on January 19, 2008, in Fuel Group (per cent)**

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Weight (%</th>
<th>Variations Cumulative</th>
<th>Change</th>
<th>Contribution</th>
<th>Variation</th>
<th>Year to Year Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel, power light &amp; lubricants</td>
<td>14.23</td>
<td>4.47</td>
<td>1.74</td>
<td>30.36</td>
<td>6.9</td>
<td>3.57</td>
</tr>
<tr>
<td>Coal mining</td>
<td>1.75</td>
<td>8.77</td>
<td>0</td>
<td>5.31</td>
<td>0</td>
<td>8.77</td>
</tr>
<tr>
<td>Electricity</td>
<td>5.48</td>
<td>0.18</td>
<td>3.15</td>
<td>0.41</td>
<td>3.94</td>
<td>-0.66</td>
</tr>
</tbody>
</table>

Source: Economic Survey

**Wholesale Prices–Manufactured Products**

In the case of manufactured products the increase in the prices was generally moderate. Year-on-year inflation as on January 19, 2008, continued to show deceleration for many product groups within the manufacturing sector. Broadly seven commodity groups were the major contributors to inflation. The overall contribution of these seven commodity groups averaged 82 per cent during April 2006 to December 2007. Overall contribution increased from 75 per cent in 2006-07 to 92 per cent in nine months of the current year. The
general trends in the manufactured products are summarized in Table 5.

Table 5: Inflation as on January 19, 2008, in Manufactured Products (per cent)

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Weight (%)</th>
<th>Variations Contribution</th>
<th>(April-January) Change</th>
<th>(April-January) Cumulative</th>
<th>Variation Inflation</th>
<th>(Year to Year) Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufactured</td>
<td>63.75</td>
<td>2.66</td>
<td>5.76</td>
<td>46.62</td>
<td>53.94</td>
<td>3.91</td>
</tr>
<tr>
<td>Products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Economic Survey

The Current Status

The inflation rate in India had been stable and lower towards the end of the year 2007; the annual point-to-point inflation rate was 3.8 on December 29, 2007. An inflationary spurt had started in the beginning of the year 2008 and it reached its peak by the first week of August, 2008 (12.91%), and then it dipped to its bottom by the last week of May 2009 (0.13%), and a deflationary phase had started in first the week of June 2009. Thus, in terms of inflationary experience, the year 2008 was an extraordinary one, for it had witnessed an inflationary cycle with steady inflationary trend in the first eight months and a sustained disinflationary trend in the remaining four months, the year 2009 is a unique one as it has witnessed a deflationary phase after three decades.

The year-on-year variation in WPI has stood at 0.13% for the week ended 30 May 2009, the lowest since 1993-94; it has been substantially lower than that of 9.4% recorded during the comparable period of the previous year. During the current financial year so far the inflation rate has increased by 1.8% as compared to 2.5% in the corresponding period of the previous financial year.

Consumer Price Inflation Still High

Inflation measured by consumer price index (CPI) for April 2009 has recorded a trend exactly opposite to that depicted by the movement in WPI. This is mainly due to the price movements depicted in the food items. The working class index (CPI-IW) has hardened by 8.7% during April 2009 on a point-to-point basis compared with a rate of 7.8% a year ago. In rural India, the price situation is still worse with the indices for agricultural and rural labourer ruling at 9.1% each higher than what it was in April 2008 – 8.9% and 8.6%, respectively.

Global Inflation

According to World Bank all the items tracked by them have witnessed substantial declines in the case of low and middle income countries (Table 6). However, like India the inflation rate measured by consumer price index is still higher in many low income countries (Table 6). But China,
Czech Republic, Taiwan and Thailand have recorded decline in their inflation rate.

**Table 6: Global Inflation**

<table>
<thead>
<tr>
<th>Low and Middle Income Economies</th>
<th>Higher Income Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>May</strong></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>-1.4</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>-0.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>3.8</td>
</tr>
<tr>
<td>Poland</td>
<td>4</td>
</tr>
<tr>
<td>Russia</td>
<td>12.3</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.2</td>
</tr>
<tr>
<td>India</td>
<td>8.7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3</td>
</tr>
<tr>
<td>Pakistan</td>
<td>14.4</td>
</tr>
<tr>
<td>South Korea</td>
<td>2.7</td>
</tr>
<tr>
<td>Taiwan</td>
<td>-0.1</td>
</tr>
<tr>
<td>Thailand</td>
<td>-3.3</td>
</tr>
<tr>
<td>Argentina</td>
<td>5.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.5</td>
</tr>
<tr>
<td>Chile</td>
<td>3</td>
</tr>
<tr>
<td>Colombia</td>
<td>4.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>6</td>
</tr>
<tr>
<td>Venezuela</td>
<td>27.7</td>
</tr>
<tr>
<td>Egypt</td>
<td>10.2</td>
</tr>
<tr>
<td>South Africa</td>
<td>8.4</td>
</tr>
</tbody>
</table>

Source: Economist

**Conclusion**

India, the 12th largest and the second fastest growing major economy in the world, has been experiencing significant price instability in the recent past. Even though, the sources of the phenomenon can be attributed to both internal as well as external factors, correction of the problem will have to take place mainly through effective domestic economic policies for both the demand management and supply adjustment. But the domestic policy measures initiated in India have not been seen bringing any significant effects in controlling price volatility in the country.
Annual inflation rate measured by WPI turned negative for the week ended 6 June 2009, mainly due to high base effect. This can be termed as disinflation rather than deflation because in India the demand for different commodities is still high. Food index and hence, CPI is still ruling very high. The price trend in the financial (2009) year was on the rise and has already crossed the safe limits estimated by RBI in the current financial year.

References


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Impact of Customer’s Awareness on Their Satisfaction: A Study on E-Banking in Gwalior City

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Abstract
Customer awareness and their satisfaction are very essential for any organization. If the customer is not aware he can never be satisfied and the organization can never achieve its ultimate goal. This research is carried out to know the impact of customer’s awareness on their satisfaction with e-banking along with different influencing factors involved in customer’s awareness and their satisfaction even at the time of global financial crisis. The finding of this study provided useful information which is helpful for the organizations providing e-banking services how they can improve their company’s strategic position for longer period of time through satisfying customers.

In this paper we have tried to focus on the impacts of Global Economic Crisis on e-banking and its customers.

Keywords: Customer awareness, customer satisfaction, e-banking, global economic crisis.

Introduction

E-Banking: An Overview

Internet banking or e-banking is the latest in this series of technological wonders in the recent past involving use of Internet for delivery of banking products & services. Internet banking is changing the banking industry and is having the major effects on banking relationships. Banking is now no longer confined to the branches were one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true Internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing Internet banking is increasingly becoming a “need to have” than a “nice to have” service.

Electronic Banking Definition

A form of banking in which, funds are transferred electronically between financial institutions instead of cash, checks, or other negotiable instruments being physically exchanged. The ownership of funds and transfers of funds between financial institutions are recorded on computer.
systems connected by telephone lines. Customers of the financial institutions can access their records using a password or personal identification number (PIN).

Features
The common features fall broadly into several categories

- Transactional (e.g., performing a financial transaction such as an account to account transfer, paying a bill, wire transfer... and applications... apply for a loan, new account, etc.)
- Electronic bill presentment and payment - EBPP
- Funds transfer between a customer’s own checking and savings accounts, or to another customer’s account
- Investment purchase or sale
- Loan applications and transactions, such as repayments
- Non-transactional (e.g., online statements, check links, co browsing, chat)
- Bank statements
- Financial Institution Administration - features allowing the financial institution to manage the online experience of their end users

Internet banking in India
The Reserve Bank of India constituted a working group on Internet Banking. The group divided the internet banking products in India into 3 types based on the levels of access granted. They are:

i) Information Only System: General purpose information like interest rates, branch location, bank products and their features, loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is normally done through e-mail.

ii) Electronic Information Transfer System: The system provides customer- specific information in the form of account balances, transaction details, and statement of accounts. The information is still largely of the ‘read only’ format. Identification and authentication of the customer is through password.

iii) Fully Electronic Transactional System: This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure infrastructure.

Automated Teller Machine (ATM):
ATM is designed to perform the most important function of bank. It is operated by plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hours restrictions and paper based verification. There are debit cards. ATMs used as spring board for Electronic Fund Transfer. ATM itself can provide information about customers account and also receive instructions from customers - ATM cardholders. An ATM is an Electronic Fund Transfer terminal capable of handling cash deposits, transfer between accounts,
balance enquiries, cash withdrawals and pay bills.

**Credit Cards/Debit Cards:**

The Credit Card holder is empowered to spend wherever and whenever he wants with his Credit Card within the limits fixed by his bank. Credit Card is a post paid card. Debit Card, on the other hand, is a prepaid card with some stored value.

**Smart Card:**

Banks are adding chips to their current magnetic stripe cards to enhance security and offer new service, called Smart Cards. Smart Cards allow thousands of times of information storable on magnetic stripe cards. In addition, these cards are highly secure, more reliable and perform multiple functions. They hold a large amount of personal information, from medical and health history to personal banking and personal preferences.

**Benefits to Consumers:**

General consumers have been significantly affected in a positive manner by E-banking. Many of the ordinary tasks have now been fully automated resulting in greater ease and comfort.

- Customer’s account is extremely accessible with an online account.
- Customer can withdraw cash at any time through ATMs that are now widely available throughout the country.
- Beside withdrawing cash customers can also have mini banks statements, balance inquiry at these ATMs
- Through Internet Banking customer can operate his account while sitting in his office or home. There is no need to go to the bank in person for such matter.
- E banking has also greatly helped in payment of utility bill. Now there is no need to stand in long queues outside banks for his purpose.
- All services that are usually available from the local bank can be found on a single website.
- The Growth of credit card usage also owes greatly to E-banking. Now a customer can shop world wide without any need of carrying paper money with him.
- Banks are available 24 hours a day, seven days a week and they are only a mouse click away.

**Benefits to Banking Industry:**

Banking industry has also received numerous benefits due to growth of E-Banking infrastructure. There are highlighted below:

- The growth of E-banking has greatly helped the banks in controlling their overheads and operating cost
- Many repetitive and tedious tasks have now been fully automated resulting in greater efficiency, better time usage and enhanced control.
- The rise of E-banking has made banks more competitive. It has also led to expansion of the banking industry, opening of new avenues for banking operations.
- Electronic banking has greatly helped the
banking industry to reduce paper work, thus helping them to move the paper less environment.

- Electronic banking has also helped bank in proper documentation of their records and transactions.

**Services through E-Banking:**
- Bill payment service
- Fund transfer
- Credit card customers
- Railway pass
- Investing through Internet banking
- Recharging your prepaid phone
- Shopping at your fingertips

1.2: Conceptual Framework

Customer awareness and customer satisfaction has been taken as variables.

**Consumer Awareness:**

The need for empowerment of consumers as a class cannot be over emphasized and is already well recognized all over the world. There is an urgent and increasing necessity to educate and motivate the consumer to be wary of the quality of the products, and also the possible deficiencies in the services of the growing sector of public utilities. In short, the consumer should be empowered with respect to his rights as a consumer. He should be equipped to be vigilant with a discerning eye so as to be able to protect himself from any wrongful act on the part of the trader. In order to be able to position the consumer in such a state, there is every need not only to evolve legal remedies but also provide reliable and exhaustive information, which he can access without much effort and expense. Recognizing the importance of the problem, the Government of India and State Government have initiated steps to introduce dispute redressal mechanism by way of Consumer Protection Ac, but a lot more has to be done in the area of creating awareness on the part of the consumer to facilitate his seeking suitable remedy wherever there is a need.

Many people are ignorant of their rights to get protected against the exploitation by so many others. So when there is a forum for such redress of grievances there seems to be no such exploitation by many; and becomes a rare one. So in order to get a clear picture of the level of exploitation of consumers, the awareness is required.

**Customer Satisfaction:**

“Customer satisfaction is the profound measure of quality.”

Customer satisfaction, a business term, is a measure of how products and services supplied by a company meet or surpass customer expectation.

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization’s products.
1.3: Review of Literature:

M. Sadiq Sohail & Balachandran Shanmugham (2002). This paper examines the current trends in the e-commerce revolution that has set in motion in the Malaysian banking sector and reports on an empirical research that was carried out in Malaysia to study the customers’ preference for electronic banking and the factors, which they considered influenced the adoption of electronic banking. Results based on the analysis of data relating to 300 respondents indicate that while there is no significant differences between the age and educational qualifications of the electronic and conventional banking users, some differences exists on other demographic variables. Analysis further reveals that accessibility of Internet, awareness of e-banking, and customers’ reluctance to change are the factors that significantly affected the usage of e-banking in Malaysia.

Martin G. Helander & Halimahtun M. Khalid (2000). This paper reviews interface design of web pages for e-commerce. Different tasks in e-commerce are contrasted. A systems model is used to illustrate the information flow between three subsystems in e-commerce: store environment, customer, and web technology. A customer makes several decisions: to enter the store, to navigate, to purchase, to pay, and to keep the merchandize. This artificial environment must be designed so that it can support customer decision-making. To retain customers it must be pleasing and fun, and create a task with natural flow. Customers have different needs, competence and motivation, which affect decision-making. It may therefore be important to customize the design of the e-store environment.

Engel, Blackwell et al, 1995. Business management and marketing are concerned with ways of satisfying and retaining customers for the purpose of generating profits, improving companies’ competitiveness and securing market share. Some of the major themes in the business management domain include studies of customer relationship marketing, which analyses how customer satisfaction relates to competitiveness and profits, methods for measuring customer satisfaction (Thomson 1995), and approaches that can help transfer customer satisfaction data into strategies for improvement of customer relations and their retention (Reidenbach and McClung 1998), (Johnson and Gustafsson 2000), (Schellhase, Hardock et al. 2000).

Kano et al, (1996) Model of Customer Satisfaction. The Kano et al. (1996) model of customer satisfaction classifies product attributes based on how they are perceived by customers and their effect on customer satisfaction (Kano, Seraku et al. 1996). According to the model, there are three types of product attributes that fulfill customer satisfaction to a different degree: 1) Basic or expected attributes, 2) Performance or spoken attributes, and 3) Surprise and delight attributes.

How to Measure Customer Satisfaction, 2000. This paper discusses the various ways to measure customer satisfaction. Customer service satisfaction measurement is seen as the way companies can gain competitive advantage, as they can target customers better by finding out their preferences and
level of satisfaction with existing products and services. The idea is that what is not measured can subsequently not be managed. Various measurement techniques are evaluated also.

**Bank Customer Satisfaction, 2002.** In an attempt to improve customer satisfaction, banks around the world are training and empowering employees directly involved in service delivery to undertake a broad range of tasks. The paper looks at what are the skills necessary to improve customer satisfaction, how to calculate the level of customer satisfaction, and methods of training employees to improve their ability to satisfy customers.

**Customer Satisfaction Assessment: Airtech Limited, 2004.** This paper presents a critical analysis of the customer satisfaction measurement and assessment process at Airtech Limited. The three major goals of the analysis are as follows: assess the quality of the survey questions; assess customer satisfaction in relation to relevant theory; suggestions to improve customer satisfaction.

**Customer Satisfaction Research, 2005.** This paper examines three articles on measuring customer satisfaction in health care organizations. The paper examines the methods used, the reasons for using these methods, and the types of data to be gathered. The paper further examines why customer satisfaction is important in health care and what a level of customer satisfaction actually means and what might reduce those levels.

**Starbucks Case Study: Customer Satisfaction, 2005.** This paper explains that Starbucks’ survey results indicated that customer satisfaction, not just customer service, had to be improved quickly and that Starbucks’ head office had failed to see a changed customer base. The author points out that, inspiring customer loyalty requires local store level efforts to remove the public’s perception of a corporation only interested in generating more stores. The paper relates that based on this information Starbucks decided to invest in more labor hours for its 4500 stores.

**Customer Satisfaction at Marina Mall, 2006, MLA.** This study conducted relating to customer satisfaction levels at the Marina Mall. This article conducts the study through the instrument of a survey/questionnaire which asks 300 respondents, 150 male and 150 female, questions relating to different aspects of the mall in the areas of design, service, atmosphere, quality, selection, variety, products, and sales people, as well as parking and time preferences for visiting the mall. Findings in this study include gender differences in the types of shops, food establishments, entertainment, etc. however, the Marina Shopping Mall is rated by the respondent/consumers participating in this study as having satisfied their expectations in most areas and totaling a majority percentage as well.

1.4: Rationale

In this research the impact of customer’s awareness on their satisfaction is worth being towards the e-banking. It helps in finding various features that shows the impact of customer’s awareness on their satisfaction towards the e-banking, like:

- Awareness of customers towards e-banking.
• Their satisfaction towards e-banking.
• Their satisfaction towards e-banking services at the time of global economic crisis.

1.5: Objectives of the Study
This study is based on the following objectives:
• To find out the underlying dominant factors responsible for Customer Awareness and Customer satisfaction towards e-banking.
• To find out the impact of customers’ awareness on their satisfaction towards e-banking.
• To find out the difference in the customers’ awareness and their satisfaction towards e-banking.
• To open new vistas for future researches.

2. Research Methodology

2.1: The Study
The present research is exploratory in nature for visualizing/analyzing the impact of customer’s awareness on their satisfaction towards e-banking.

2.2: Sample Design
2.2.1: Population:
The population for this research includes the customers of e-banking in Gwalior city.
2.2.2: Sampling Elements:
Sampling elements consist of individual respondents.
2.2.3: Sampling Techniques:
In this research a non probability sampling technique has been used for collecting data.

2.3: Tools Used For Data Collection
Self designed questionnaire was used as a data collection tool.

2.4: Tools Used For Data Analysis
2.4.1: The Items To Total Correlation:
To find out the consistency of the items.
2.4.2: Reliability:
To find out the reliability of the items used in questionnaire.
2.4.3: Factor Analysis:
To find out the underlying dominant factors responsible for customer’s awareness and their satisfaction.
2.4.4: Regression:
To find out the impact of customer’s awareness on their satisfaction.
2.4.5: Z-Test:
To find out the difference in the customer’s awareness and their satisfaction of customers

3. Results & Discussion:

3.1: Consistency Measure:
First of all consistency of all the factors in all the questionnaires were checked through item to total correlation. Under this correlation of every item with the total is measured and computed value is compared with standard value (0.137959). if the computed value was found to be less, then the whole statement was dropped and termed as inconsistent. (See Table 1, 2).

3.2: Reliability Measure:
Reliability of the questionnaires was
established through Cronbach Alpha and Guttman Split-half Coefficient. The reliability has come out to be high. The test measure for reliability is given below:

**Awareness:**
- Alpha: 0.909
- Guttman Split-Half: 0.777

**Satisfaction:**
- Alpha: 0.901
- Guttman Split-Half: 0.878

### 3.3: Factor Analysis:

- **Awareness:** The raw scores of 25 items were subjected to factor analysis to find out the underlying dominant factors of services. After factor analysis 9 factors were identified and those were: Confidence and Awareness of services, Quality & services during recession, Service behavior and work environment culture of banks, Coverage of population and benefit awareness, Knowledge & personal analysis towards e-banking, Impact of recession on e-banking transactions. (Table 3)

- **Satisfaction:** The raw scores of 25 items were subjected to factor analysis to find out the underlying dominant factors of brand loyalty. After factor analysis 10 factors were identified and those were: Awareness and confidence in decisions, Service quality and working environment during recession, Impact of recession and the services provided, Knowledge to employees & performance record, Service behavior and advertisements, Awareness of work environment culture, savings during recession & recommendation, Emergency need fulfillment. (Table 4)

### 3.4: Regression Analysis:

**Null Hypothesis (H0):** The awareness has no significant contribution to customer’s satisfaction.

**Alternate Hypothesis (HA):** The awareness has a significant contribution to customer’s satisfaction.

#### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>48.062</td>
<td>.479</td>
<td>.477</td>
<td>8.603</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. **Dependent Variable:** Satisfaction

Satisfaction = 48.062 + 0.479 X Awareness

The regression test indicates .477 value of Beta because the values of Awareness were used as independent variable and Satisfaction as dependent variable.

The value of t (6.846 at 0 % significance level) in coefficient table is significant indicating that awareness has a significant contribution to customer’s satisfaction.

Similarly some other regression tests were applied among all the groups. These are:

#### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>73.743</td>
<td>.221</td>
<td>.257</td>
<td>5.503</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. **Dependent Variable:** Satisfaction of Less Than 21yr
### Impact of Customer’s Awareness on Their Satisfaction: A Study on E-Banking in Gwalior City

#### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of 21 to 30 yr</td>
<td>36.106</td>
<td>.600</td>
<td>8.140</td>
<td>.092</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of 20 to 30 yr**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of 31 to 40 yrs</td>
<td>34.878</td>
<td>.625</td>
<td>13.830</td>
<td>.156</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of 31 to 40 yrs**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of More than equal to 41</td>
<td>61.335</td>
<td>.341</td>
<td>12.213</td>
<td>.134</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of More than equal to 41**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of Less then 1 Lac</td>
<td>34.413</td>
<td>.612</td>
<td>8.176</td>
<td>.092</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of Less then 1 Lac**

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of 1 to 2 Lacs</td>
<td>0.000</td>
<td>1.000</td>
<td>.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of 1 to 2 Lacs**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of 2 to 3 Lacs</td>
<td>65.615</td>
<td>.0274</td>
<td>13.538</td>
<td>.156</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of 2 to 3 Lacs**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant) Awareness of more than 3 Lacs</td>
<td>57.845</td>
<td>.358</td>
<td>14.715</td>
<td>.164</td>
</tr>
</tbody>
</table>

**a. Dependent Variable: Satisfaction of more than 3 Lacs**

#### 3.5: Z-Test Analysis:

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Mean and Std. Deviation Values</th>
<th>Z-Test Value</th>
<th>Significant/ Insignificant @ 5% significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>M= 88.19, SD= 12.94162</td>
<td>1.611541</td>
<td>Insignificant</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>M= 90.28, SD= 12.99175</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Hypothesis 2:** Satisfaction of customers towards e-banking.
**Ho2:** There is no difference between awareness and satisfaction of the customers towards the e-banking.

**Ha2:** There is difference between awareness and satisfaction of the customers towards the e-banking.

The null hypothesis is accepted because the Z-Test value (1.611541) is insignificant. Thus we can say that there is no difference between awareness and satisfaction of customers towards the choice of e-bankings. Table value of Z at 5% level of significance is 1.96.

### 4. Findings
- It was observed that the Confidence and Awareness of services is most responsible factor for the Awareness towards e-banking.
- Quality & services during recession, Service behavior and work environment culture of banks, Coverage of population and benefit awareness, Knowledge & personal analysis towards e-banking, Impact of recession on e-banking transactions, Performance are other factors that also influence the psychology of customers towards the choice of insurance products.
- Awareness and confidence in decisions is the most responsible factor for the Services towards the e-banking.
- Service quality and working environment during recession, Impact of recession and the services provided, Knowledge to employees & performance record, Service behavior and advertisements, Awareness of work environment culture, savings during recession & recommendation, Emergency need fulfillment are some other responsible factors for the customer’s satisfaction towards e-banking.
- Various regression tests indicate that customer’s awareness has significant impact on their satisfaction.
- The z-test applied between awareness and satisfaction indicates that there is no significant difference between customer’s awareness and their satisfaction towards the e-banking.

### 5. Suggestions:
- Under this research the targeted population is of Gwalior City but the population can be increased.
- This research has been conducted only on 200 respondents, as soon as respondents increase, results may vary.
- This research consist of the analysis of only two variables, some other variables can also be included.
- The research on the impact of customer’s awareness on their satisfaction can also be conducted in other sectors.

### 6. Conclusion:
This study examined the impact of customer’s awareness on their satisfaction towards e-banking services in Gwalior city. Questionnaires were filled by the customers of e-banking from various parts of the Gwalior city and by applying tests like items to total correlation, validity, reliability, factor analysis, regression and z-test it was observed that all the data used in this research is valid and reliable according to the research. After all the findings and observations it was concluded that the customer’s awareness has enough contribution in their satisfaction towards
e-banking services. They are aware of the e-banking and the main factor that affects their awareness towards e-banking is the their Confidence and Awareness of services and the main factor that affects their satisfaction Awareness and confidence in decisions which is here found satisfactory as per the customer’s responses.

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Impact of Customer’s Awareness on Their Satisfaction: A Study on E-Banking in Gwalior City


WEB LINKS:

http://www.banknetindia.com/books/list.htm
http://www.essaytown.net/lib/essay
http://www.essaytown.net/lib/essay/0_1.html
http://www.essaytown.net/lib/essay/0_2.html
http://www.essaytown.net/lib/essay/0_3.html
http://www.sitepoint.com/article/satisfaction-7-steps
http://www.westfallteam.com/Papers/Customer_Satisfaction_Surveys.pdf
http://www.saferpak.com/csm_articles/Why%20measure%20customer%20satisfaction.ppt
http://www.iiiee.lu.se/Publication.nsf/$webAll/38F5DCB1CA0CB7E9C1256D9B0044C760/$FILE/Customer%20satisfaction.pdf
Emancipation of Women through Empowerment

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Abstract
Advancement in technology, knowledge transfer, and education speaks about the well-being of the nation. But the real term of development or advancement lies in empowering the women. In India, the empowerment of rural women will lead to the overall development of our economy. With these perspectives, this paper reveals whether the empowerment process has really helped the women community to develop them on economic, social and political basis.

Status of Women in India
Modern India paves a path hole for the Women development activities which would be incredible for the growth of the country’s economy. As per the census survey, 9.2% of the household in India were female-headed (FAO 2006) of which 35% lie below the poverty line. Still this unorganized sector is socially backward due to tradition bound system that is inheritably set forth in the mindset of every individual. Due to this disadvantageous position, women’s access and participation in community development programs remain insufficient.

Even though the trends are gradually rising, the female literacy ratio is comparatively lower when compared to male literacy (Table 1). According to the National Sample Survey Data of 1997, only the states of Kerala and Mizoram have approached universal female literacy rates with 90.86% and 88.80% respectively. (Menon & Kumar 2001). According to last census held in 2001, the percentage of female literacy in the country is 54.16%. The literacy rate in the country has increased from 18.33% in 1951 to 65.38% as per 2001 census. The female literacy rate has also increased from
8.86% in 1951 to 54.16%. It is noticed that the female literacy rate during the period 1991-2001 increased by 14.87% whereas male literacy rate rose by 11.72%. Hence the female literacy rate actually increased by 3.15% more compared to the male literacy rate.

Table 1: Literacy Rate Population in India (Census 2001)

<table>
<thead>
<tr>
<th></th>
<th>Person</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>64.84</td>
<td>75.26</td>
<td>53.67</td>
</tr>
<tr>
<td>Rural</td>
<td>58.74</td>
<td>70.70</td>
<td>46.13</td>
</tr>
<tr>
<td>Urban</td>
<td>79.92</td>
<td>86.27</td>
<td>72.86</td>
</tr>
</tbody>
</table>

Contrary to the common perception, a large percent of women in India are working (Mishra 2006). The National data collection agencies accepting the fact that there is a serious under-estimation of women’s contribution as workers (Menon & Kumar 2001). In rural India, agriculture and allied industrial sectors employ as much as 89.5% of the total female labor (FAO 2006). In overall farm production, women’s average contribution is estimated at 55% to 66% of the total labor.

According to a 1991 World Bank report, women accounted for 94% of total employment in dairy production in India. Women constitute 51% of the total employed in forest-based small-scale enterprises (FAO 2006). As per FAO report rural women help in producing up to 80 percent of food in developing countries, yet they are entitled to a fraction of farm land, and access to just 10% of credit and five percent of extension advice (Agrawal, 2003).

The advent of globalization and advancement in community development activities, especially with the women sector, has transcended their boundaries and developed positive impact on health, nutrition, education etc., Everywhere the potential for women exists, and it’s time to work realistically towards their greater contributions. With this as the underlying belief, the Government of India along with its state Governments has formulated lot many policies to harvest the products of women power. One such successful effort is the concept of Self Help Groups (SHG).

Concept of SHGs Formation

The term SHG or ‘self-help group’ has evolved from the latter; and has taken its basic form of ASCA (Accumulating Saving and Credit Association) promoted by any of the government agencies, NGO’s or banks. SHG can be distinguished by their origins and sources of funds. The classification were made by carving the larger groups based on pre-existing NGO programs for thrift and credit or more broad-based activities or Bank linkage scheme as a part of integrated development program or through DRDA’s (District Rural Development Agencies) or as a component of various physical and social infrastructure projects.

Group or Team effort is the successful mantra of the needy that rely on various approaches emphasizing social, collateral and cost-reducing effects. The concept of group formation is based on two categories namely:

(a) Groups that are primarily geared to deliver financial services provided by microfinance institutions (MFIs) to individual borrowers (such as the joint
liability groups of Grameen and the NGO-banks of Bangladesh) and
(b) Groups that manage and lend their accumulated savings and externally leveraged funds to their members.

Even though the evolution of groups may stand on different strands, the characteristic features of SHG’s are listed below:

- An SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity of its members.
- Most SHGs are women’s groups with membership ranging between 10 and 20.
- SHGs have well-defined rules and by-laws, hold regular meetings and maintain records and savings and credit discipline.
- SHGs are self-managed institutions characterized by participatory and collective decision making.

All the SHG’s promoted by NGO were organized for undertaking integrated development activities and the further improvement leads to larger cluster and multi-village federations for financial and non-financial activities.

**Empowerment**

An active and multidimensional process to recognize the full potential of the women which would increase the women’s ability to shape her and her community is Women empowerment. Women empowerment and Gender Equality are identified to be key elements for achieving progress which is accepted as one of the eighth millennium goals agreed at New York Millennium Summit 2000 (Bhagayalakshmi 2004).

A transformation has happened in the term ‘Empowerment’ which enables women to have control over the circumstances of their lives and their well-being. This process not only envision but helps to have control over their resources and ideology, greater self-confidence and an inner transformation of one’s consciousness to overcome external affairs. With a focus to make a women to be independent and self-reliant, various policies and developmental programs were framed to equip the women with varied skill sets which would empower them in terms of social, economical, political, cultural and technological strands.

Empowerment is defined as a person’s capacity to make effective choices, that is, the capacity to transform choices in to desired activities and outcomes.

The extent or degree to which a person is empowered is influenced by personal agency (the capacity to make purposive choice) and opportunity structure (the institutional context in which choice is made). Asset endowments are used as indicators of agency. These assets may be psychological, informational, organizational, material, social, financial, or human. Opportunity structure is measured by the presence and operation of formal and informal institutions, including the laws, regulatory frameworks, and norms governing behavior (Ruth Alsop and Nina Heinsohn 2005).

SHG is earmarked to be a successful strategy for empowerment of women thereby facilitating their awareness, knowledge, skills and use of technology.
Empowering women through education, ideas, consciousness, mobilization and participatory approach can enable them to take their own decisions, make them self-reliant and self-confident.

The empowerment process may be broken down in three dimensions, viz., economic, social and political, which reinforce each other. While the economic aspects would include increasing women’s access to and command over tangible and intangible resources, (such as wealth, property, employment, knowledge and information), social aspect would include changing the existing discriminatory ideology and culture, which determine the environment for women’s existence. Finally, political process must increase women’s presence and influence in the power structure (Meena Acharya and Puspa Ghimire 2005).

Possessing knowledge is empowering, while the lack of knowledge is debilitating. The World Bank organized a forum called “Voices of Poor”, which got feedback from 60,000 people in 60 countries, which concluded that people wanted access to knowledge and opportunities instead of charity to fight conditions leading to poverty. (World Bank, 2000). And Knowledge is not a scarce resource - it is infinitely expansible and proliferates with its use….“the capacity to acquire and generate knowledge in all its forms, including the recovery and upgrading of traditional knowledge, is perhaps the most important factor in the improvement of human condition”. (Benzason & Sagasti, 1995).

In the context of knowledge sphere, the issues of gender equality, equity and empowerment of women become even more significant as women have a strategic role in incubation and transfer of critical knowledge, which often forms the blueprint of survival for communities to adapt and minimize their risk in adverse circumstances. Women, because of their biological and social roles, are generally more rooted than men in the confines of their locality. They are therefore more aware than men of the social, economic and environmental needs of their own communities (Miller, 2000).

**SHG & Empowerment**

SHGs have been instrumental in empowering grass root women in several areas. Evidences from different regions revealed that there are positive improvements realized in terms of all the group members becoming literate; mitigating village disputes, improving health and education of children and keeping the village roads clean, giving exposure to all the members of the group to carry on the bank’s transactions, etc. It has helped in many other ways: in replacing money lenders, changing cropping pattern, increasing use of organic pesticides and fertilizers, creating seed banks; and creating a better awareness on nutrition, health and hygiene. It has also prompted the involvement of people in regular saving and internal lending, helped them initiate micro enterprises and manage lending schemes, avail government credit, operate savings accounts and communal funds and maintain financial records. Besides, SHGs have been instrumental in people becoming environmentally conscious, using eco
friendly toilets, constructing and using and repairing rainwater harvesting structures, participating in politics. Women have gained technical skills, and basic principles of management, and group building. These groups are also getting federated and as such they help women of different regions to unite collectively for a common cause.

Are Women Economically empowered?

The Equal Remuneration Act, 1976 stresses on Principles of Equity, Equal remuneration and discrimination against women in the matter of employment. The new policy initiative Vision 2000 envisage on redefining the role of men and women to be treated with equality. The Tamil Nadu Corporation for Development of Women was established to act as a nodal point for bringing women into the mainstream in all programs and projects. To empower women economically SHG aims at savings and credit which would strengthen the analytical, problem solving and enterprising attributes.

The MWCD (Ministry of Women and Child Development) reports, on economic empowerment show that an average percentage of women’s work force is increased only to 25.7% from 22.5% between 1991 and 2001. This fiscal changes is due to poverty being feminized, technology dominated sector, unviable traditional sector and no security cover. There are factors impacting women’s economic empowerment which includes:

1. Violence against women (like sexual violence, injury, death, human trafficking)
2. Inadequate access to education, training and technology
3. No proper clean water and sanitation
4. Low accessibility to responsible health care/reproductive health
5. Lack of access to credit/finance, safe work conditions, living/minimum wages
6. Unorganized Cultural practices, tradition, religious interpretations of women’s status
7. Women’s lack of knowledge about rights and laws (economic, social, political, religious)
8. Lack of adequate representation in decision-making positions and governance structures

When women have economic power defined as control of income and capital (land, livestock, etc.) - they gain more equality and control over their own lives, while contributing directly to their children’s development (nutrition, health and education) and thereby indirectly to their nation’s income growth. Autonomy in financial empowerment will improve the decisions regarding:

- Household decisions: with regard to Children Health & Nutrition, Education, Marriages
- Economic decisions: acquiring, allocating, and selling assets.
- Fertility decisions: economically empowered women tend to have fewer children
• Land use and conservation decisions: rural women tend to favor sustainable environmental practices. (preserving & collecting natural resources)

There are various factors that contribute to the economic empowerment of women. These factors operate at various levels.

<table>
<thead>
<tr>
<th>Macro – Policy level</th>
<th>Women’s representation in better remuneration jobs; representation of women’s interests in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meso – Community level</td>
<td>Ownership of assets and land; access to credit; involvement and/or representation in local trade associations; access to markets.</td>
</tr>
<tr>
<td>Micro – Household level</td>
<td>Women’s control over income; relative contribution to family support; access to and control of family resources.</td>
</tr>
</tbody>
</table>

Women’s economic empowerment could ease corruption and violence, promote greater environmental sustainability. In a remote tribal village of Orissa, where there is a visible sign of economic empowerment of women due to the formation of SHG reports women of the family are able to offer financial help to make investments in agriculture by taking loans from the SHGs. Women are able to help their counterparts during agricultural season. This has helped to reduce the role of traders in purchasing the products of the village and the relevance of money lenders in the village (Baisakh, 2007). If this kind of process is accepted by society, then it should be apparent that women’s education and economic empowerment is not only a matter of human rights but also human security. Unless women’s economic security is strengthened, elimination of poverty, achievement of gender equality, or realization of any genuine progress on will remain only a dream.

**Are Women Socially Empowered?**

In reality social empowerment of women is the change in socialization process – a process of gender sensitization and inculcating a feeling of equality without any discrimination on gender in day to day affairs. To be on right perspectives without subordinating, equal rights to be born, literacy, education, employment, property, participation in decision making within household and community, policy making, politics are to be included in terms of social empowerment.

In terms of social empowerment decision making has always been important in a social setting. But decisions are made not in isolation but it is the product of influence and confluence of social correlates (Pescosolido, 1992). But in reality participation of women
in decision making process was either nil or negligible. A critical analysis of the socio-economic conditions of Indian women using the Human Development Index (HDI), the Gender–Related Development Index (GDI) or the Gender Empowerment Measures (GEM) reveals a dismal picture of deprivation of rights and entitlements in the family and the community (NIPCCD 2004).

Empowering women results in dynamic and democratic change in perception and expectation towards women in our society and thereby leading to the enrichment of the country’s development. The sustainable development of the society along with self respect for women and strengthening the women community could be realized from SHG initiatives. The SHG’s seek to build the capacities of rural women from grassroots to enable them to negotiate in their socio-economic spaces. This collective approach lies in the process of organizing women into collectives and through their collective strength to enable them to realize their rights and entitlements. Apart from widening the individual freedoms and choices of women, the approach utilizes women’s collective strength to address their multi-varied socio-economic needs and challenges that deeply entrench power structures in society.

Participation of women in decision making and empowerment will promote a change in their behavior and lifestyle. Few strategies which would empower women socially are:

1. Women’s Education: Gender sensitive educational system and training will enhance the awareness of women of their status which indirectly will improve the confidence level to tackle the problems of inequality and discrimination. Universalizing education at the basic ground level will help to impart quality education and skills to them so that they can stand up on their feet and live a dignified life.

2. Women Healthcare: Quality health care system, Awareness of reproductive rights, health and nutrition education, family planning education should be imparted to women for reasonable and quality health care life.

3. Nutrition, drinking water, sanitation and housing: Reducing the discrimination for nutritious food, provision for micro macro nutrients, clear drinking water and sanitation, adequate and safe accommodations for varied women category would be a meaningful step towards empowerment.

4. Environment conservation: As an environment friendly tool women are using conventional and nature friendly source of energy in conservation and restoration of energy.

5. Development of science and technology: Non - discrimination at basic education level, providing ample opportunities to pursue higher education and equitable participation in science and technology will help women to overcome domestic chores and make contributions to the mainstream of the society.

6. Helping in difficult times: To overcome poverty, conflicts, natural calamities, categorization, household problems, employment problems, marital violence women with her ironical strength should make efforts to change the hurdles into opportunities.
7. Fighting against violence and discrimination: Special education and awareness and strict laws for women against sexual abuse, dowry problem, discrimination against the girl child, female feticide, female infanticide, child marriage and abuse will enforce meaningful social empowerment of women.

**Are Women Politically Empowered?**

The concept of Women’s Equal participation and devotion of power at local self-governance and the Village Panchayat as by the words of Gandhiji would be an active tool to empower women politically. Political empowerment in real terms should have equal participation, power to take decision and no subordination.

The most progressive Indian Constitution guarantees equal rights for men and women. Its preamble and various articles are designed to provide equal protection before the law.

The Panchayat Raj Act provides for people’s active participation in the local administration by granting them power to question and by requesting their participation in planning for development of their villages. The Political participation of women is not only using the right to vote but also power sharing, co-decision making and co-policy making at all levels. The active participation of women in local administration is integral to empowerment of women and helps to build a gender-equal society as well as to speed up the process of national development.

In reality the political representation (Table 2) can be proved from the statistical information about women in different sectors with 8% in the Parliament, 3% in the ministerial posts, 9% in executive bodies of political parties, 3% as High court judges and 7% in civil services. However, there still remain inequalities persistent in basic issues as the right to education, the right to basic amenities and access to political power.

### Table 2: Participation of Women in National Elections

<table>
<thead>
<tr>
<th>Election Year</th>
<th>Voting % of women</th>
<th>Total Seats Contested by women</th>
<th>Seats won by women</th>
<th>% seats won of contested seats</th>
<th>Total Seats</th>
<th>% of women members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>37.10</td>
<td>51</td>
<td>23</td>
<td>45.09</td>
<td>499</td>
<td>4.40</td>
</tr>
<tr>
<td>1957</td>
<td>38.77</td>
<td>70</td>
<td>27</td>
<td>38.57</td>
<td>500</td>
<td>5.40</td>
</tr>
<tr>
<td>1962</td>
<td>46.63</td>
<td>68</td>
<td>35</td>
<td>51.47</td>
<td>503</td>
<td>6.70</td>
</tr>
<tr>
<td>1967</td>
<td>55.48</td>
<td>66</td>
<td>31</td>
<td>48.43</td>
<td>523</td>
<td>5.90</td>
</tr>
<tr>
<td>1971</td>
<td>49.15</td>
<td>86</td>
<td>22</td>
<td>27.50</td>
<td>521</td>
<td>4.20</td>
</tr>
<tr>
<td>1977</td>
<td>54.96</td>
<td>70</td>
<td>19</td>
<td>25.70</td>
<td>544</td>
<td>3.40</td>
</tr>
<tr>
<td>1980</td>
<td>51.22</td>
<td>142</td>
<td>28</td>
<td>19.70</td>
<td>544</td>
<td>5.14</td>
</tr>
<tr>
<td>1984</td>
<td>68.17</td>
<td>421</td>
<td>159</td>
<td>28.30</td>
<td>544</td>
<td>7.90</td>
</tr>
<tr>
<td>1989</td>
<td>43.90</td>
<td>189</td>
<td>28</td>
<td>14.80</td>
<td>525</td>
<td>5.30</td>
</tr>
<tr>
<td>1991</td>
<td>47.42</td>
<td>307</td>
<td>33</td>
<td>10.75</td>
<td>503</td>
<td>6.60</td>
</tr>
</tbody>
</table>
Election


The initiatives from ILO (International Labor Organization) and UNICEF in developing programs to improve the status of women has lead to the development of SHG with a view to eradicate child labor by empowering the mother. The 73rd and 74th Amendments (1993) to the Indian Constitution is considered as a breakthrough towards ensuring equal access and increased participation in political power structure for women.

Women’s political empowerment is premised on three fundamental and non-negotiable principles: (a) the equality between women and men; (b) women’s right to the full development of their potentials; and (c) women’s right to self-representation and self-determination. The interventions of women in political arena would result in higher levels of autonomy in decision making, greater valuation of their household contribution by their partners, improved household communication, and better relationships with their partners, and higher levels of participation in social groups and in collective action (Kim, 2007).

Conclusion

A vision to rise the womanhood in true sense is the rise of the essence of womanhood in the physical, mental, intellectual and the spiritual planes. It calls for the beginning of a campaign for the true rise of women in all spheres of life for the restoration of the balance in nature. The effectiveness of the program is dependent on the social awareness and acceptance of such efforts. A small step today will definitely lead to a giant leap tomorrow.

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7. National Institute of Public Cooperation
Emancipation of Women through Empowerment


**Web References:**


Gender Differences and Business Casual Attire

Abstract
Clothing is a powerful communicator and makes a difference in how individuals are perceived (Cole, 1999). Dressing suitably for the job enhances one’s corporate image and lends credibility to one’s ideas and deeds. Clothing that reflects the company culture and that is suitable to the stage in one’s career is suggested. A review of existing literature revealed that there is very little work related to gender differences on business casual wear. The literature review therefore includes guidelines offered by various authors who have studied business casual wear.

Introduction
Business casual wear, also known as smart casual, is a popular work place dress code that emerged in white-collar workplaces in Western countries in the 1990s, especially in the United States. Many information technology businesses in Silicon Valley were early adopters of this dress code. In contrast to formal business wear such as suits and neckties, the business casual dress code has no generally-accepted definition; its interpretation differs widely among organizations and is often a cause of sartorial confusion among workers. Business casual is classic rather than trendy.

Business casual wear means dressing professionally, looking relaxed, neat and pulled together. A more pragmatic way of putting this would be that business casual dress is the mid ground between formal business clothes and street clothes. Examples of clothing combinations considered appropriate for work by businesses that consider themselves as using the business-casual dress code are:

- for men: a shirt with a collar (tennis shirt) and cotton trousers, “khakis”: in American English
• for women: a tennis shirt and trousers

Generally, neckties are excluded from business casual dress, unless worn in untraditional ways. The acceptability of blue jeans and denim cloth clothing varies — some businesses disallow them as sloppy, not casual, yet tolerate men wearing blue jeans with a sports coat.

**Some Basics for Men and Women**

Khaki pants, neatly pressed, and a pressed long-sleeved, buttoned solid shirt are safe for both men and women. Polo/golf shirts, unwrinkled, are an appropriate choice if you know the environment will be quite casual, outdoors, or in a very hot location. This may not seem like terribly exciting attire, but you are not trying to stand out for a cutting edge look, but rather for your good judgment in a business environment.

**HAIR:** Should be clean and neat.

**SHOES:** Should be in polished condition. Make sure heels are not worn.

**DETAILS:** No missing buttons, no lint; and don’t forget to remove external tags and tacking stitches from new clothes.

**HANDS:** Clean fingernails.

**FIT:** Clothes should be clean, neatly pressed, and fit properly, neither tight nor baggy.

**SMELL:** Perfume or cologne should be used sparingly or not at all. Clothes should be odor-free and should never smell like smoke.

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**Literature Review**

According to Cole (1999), clothing is a powerful communicator and makes a difference in how individuals are perceived. One connection people often make is between a person’s manner of dress and performance: “sloppy dress, sloppy mind, and sloppy work” (Holden, 1998, p. 70). The implication is that someone who is considering a large investment in an organization would question the advisability of doing so when dealing with someone wearing frayed jeans and sandals (Holden, 1998; 2003).

Dressing appropriately for the job enhances one’s corporate image and lends credibility to one’s ideas and accomplishments. Clothing that reflects the company culture and that is appropriate to the stage in one’s career is recommended (DuBrin, 1990). If the corporate culture is casual, employees are advised to invest in high-quality casual clothing with high-quality accessories as well (Rozakis & Rozakis, 1998). According to Dobson and Dobson (2001), employees can make themselves more promotable by following the dress standards set by their organizational leaders. Employees who follow the firm’s dress standards will send the message that they are aware of the importance of appropriate attire to the company’s image and that they wish to conform to the standards of the corporate culture.

There was a time, when a person could walk into the office of a manager, account executive, or salesperson and expect to see the individual behind the desk adorned in crisply pressed suits with starched white shirts. It was something that was not open to discussion but rather ingrained in American culture that certain dress was considered appropriate in those professions (McPherson, 1997). However, since the beginning of the
In the 1990s, a change has been occurring called casual dress (Biecher, Keaton, & Pollman, 1999). There are a variety of reasons as to why this adoption of dress has happened. Some sources state only the factual evidences for the implementation.

According to a study completed by CSUS marketing professor Dennis Tootelian, nearly two-thirds of Americans have felt inappropriately dressed at a business or a social function and more than two-thirds are uncertain about the differences among business attire, business casual and casual dress in the workplace. Nearly one in three reports that it is harder to know what is acceptable to wear to the office today than it was 10 years ago. According to Tootelian, the biggest fashion problem for workers today is the concept of “business casual”. “‘Business casual’ is a term that needs to be better defined,” he said. “People don’t know what it is”. For men, Tootelian said, the standard for business attire has been a suit and tie with matching, shined shoes. Business casual could mean anything from a sports coat with or without a tie to pleated cotton slacks with a collared short-sleeve polo shirt and loafers. For women, business attire already offers them a choice of pant suits, suits, dresses and coordinated skirt and slack ensembles and the notion of business casual may be more subtle, with factors such as pattern, color, texture and material playing a role. “Unfortunately,” Tootelian said, “business casual may not help women as much as it does men”.

**Objectives**

The objective of this research paper is to study the difference between male and female with regard to their perception of Business casual dress code. The research paper attempts to study the difference between male and female with regard to their perception of business casual wear.

**Hypothesis**

**Research Hypothesis 2 (H2a):** There is a significant difference between male and female with regard to their perception of casual dress code.

**Null Hypothesis 2 (H2o):** There is no significant difference between male and female with regard to their perception of casual dress code.

**Methodology**

Univariate, bivariate statistical analysis were performed for the collected empirical data on SPSS. A reliability analysis was conducted with the use of cronbach alpha standards. To determine gender differences in perception of business casual wear a survey with eleven statements related to perception of wearing business casual wear at work was administered to 120 samples. The Mann-Whitney U test results revealed no significant differences (<.05) between female and male in their perceptions of wearing business casual attire to work in all the eleven statements.

**Instrument**

A questionnaire survey was used to gather information from respondents to statistically test the hypothesis.

The primary source of data collection in this study is structured questionnaire.
Structured questionnaire method was used to determine the perception on casual dress code. Secondary data collection was also done from various articles, research papers, magazines, websites and books. It also includes data from company and other referral sites and sources.

The demographic data collected included gender, age, years of experience, marital status and educational qualification. The other items, which were simple to operationalize, were companies that allow employees to wear business casual attire to work, number of days per week is that professional employees allowed wearing business casual to work, the casual dress code difference depending on the employees’ level within the organization. This information was collected by asking the respondents to respond to does the company allow employees to wear business casual attire to work, number of days per week professional employees allowed to wear business casual to work (categorized into two options of Yes and No), number of days per week professional employees allowed to wear business casual to work (categorized into four options, 1 day per week, 2-4 days per week, 5 days per week, Occasional), the casual dress code difference depending on the employees’ level within the organization (categorized into two options of Yes and No). A total 11 questions were included asking respondents to indicate their perceptions of wearing business casual attire to work on five point Likert scale (Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree).

The Sample

The questionnaire was administered to a non-probability sample of 150 respondents from different parts of India. 30 of the questionnaires were incomplete and therefore rejected. The sample is represented by 120 respondents, 24 Female and 96 Male. The primary data was collected from the respondents to measure their perception on casual dress code along with demographic data. Table 1 depicts the demographic profile of the sample and Table 2 depicts the cross tabulation table of gender with generation and marital status.

Table 1:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
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</thead>
<tbody>
<tr>
<td>Generation</td>
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<td></td>
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<tr>
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<td>62.5</td>
</tr>
<tr>
<td>GenX</td>
<td>45</td>
<td>37.5</td>
</tr>
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<td></td>
</tr>
<tr>
<td>Female</td>
<td>24</td>
<td>20.0</td>
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<td>Male</td>
<td>96</td>
<td>80.0</td>
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<td>100.0</td>
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<tr>
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<td></td>
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<td>Single</td>
<td>64</td>
<td>53.3</td>
</tr>
<tr>
<td>Married</td>
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<td>46.7</td>
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<tr>
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<td>100.0</td>
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</table>

Table 2:

<table>
<thead>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Generation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GenY</td>
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<td>56</td>
<td>75</td>
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</tr>
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<td>GenX</td>
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<td>Marital Status</td>
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<tr>
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<td>46</td>
<td>64</td>
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<tr>
<td>Married</td>
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<td>50</td>
<td>56</td>
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<tr>
<td>Total</td>
<td>24</td>
<td>96</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

Analysis

Univariate and bivariate statistical analysis were performed for the collected empirical data on SPSS. A reliability analysis was conducted with the use of Cronbach alpha.
standards to ensure construct have reliable questionnaire items, reliability analysis was conducted with the use of Cronbach Alpha standards. Simple frequency distribution and cross tabulation was performed to gather information on demographics such as gender, generation and marital status. Bivariate analysis was carried out to examine the relationship between independent variable (gender) with the dependent variables like comfortableness in wearing business casual, prefer to dress casually for work, etc. The Mann-Whitney U test was carried out to test the hypothesis.

**Findings**

The dimensionality of the scale was examined by considering the Cronbach alpha score. The scale has a coefficient alpha of .824 (Refer table 3). The simple frequency distribution of questions like days per week companies allowed their employees to wear business casual attire to work (Refer table 4), Casual dress code different depending on employees’ levels within the organization (Refer table 5). The rating by the respondents for each of the items on the perceptions of wearing business casual attire to work was averaged and descriptive statistics was calculated to get the perception of wearing business casual attire of the respondents (Refer Table 6).

**Table 3:**

**Reliability Statistics**

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>Cronbach’s Alpha Based on Standardized Items</th>
<th>No of Items</th>
</tr>
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<tbody>
<tr>
<td>.824</td>
<td>.824</td>
<td>11</td>
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**Table 4:**

<table>
<thead>
<tr>
<th>No of days</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days per week allowed wearing BCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 day per week</td>
<td>37</td>
<td>30.8</td>
</tr>
<tr>
<td>2-4 days per week</td>
<td>9</td>
<td>7.5</td>
</tr>
<tr>
<td>5 days per week</td>
<td>29</td>
<td>24.2</td>
</tr>
<tr>
<td>Occasional</td>
<td>45</td>
<td>37.5</td>
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</table>

**Table 5:**

<table>
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<tr>
<th>Dress code</th>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Dress code different Yes depending on levels No</td>
<td>38</td>
<td>31.7</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Gender and Perceptions of wearing business casual attire to work**

The Mann-Whitney U test was carried out by using SPSS. The first section of the output gave the descriptive statistics for the gender and for the independent variables (Refer table 6a). In this there were 120 people (N) who responded to the “comfortable wearing BCA” question. They gave a mean response of 3.5667 (between Neutral and Agree) with a standard deviation of 1.14300 (although this number may not be meaningful as standard deviation is not a valid statistic for an ordinal scaled variable). From the mean score calculated in table 6a, it was evident that people’s mean responses were between Neutral and Agree except for few which were between Disagree and Neutral.

The second section of the output shows the number (N) of responses in each condition (24 female and 23 male do) and the mean
rank and sum of ranks for each group (Refer table 6b). It is evident that female are more agreed than male on majority of questions on perceptions of wearing business casual attire to work.

The final section of the output (table 6c) gives the values of the Mann-Whitney U test. The observed Mann-Whitney U value is given at the intersection of the row labelled Mann-Whitney U and the column labelled with the variables. The Mann-Whitney U value is 1107.500. There is p value given on the row labelled Asymp. Sig (2-Tailed).

As the p value is greater than the specified level (.05) for all the variables, we fail to reject H0. Thus, we have insufficient evidence to conclude that there is significant difference between the genders in terms of their perceptions towards wearing business casual attire to work.

Table 6a:
Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
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<tbody>
<tr>
<td>Comfortable wearing BCA</td>
<td>120</td>
<td>3.5667</td>
<td>1.14300</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Makes workplace friendlier</td>
<td>120</td>
<td>3.4167</td>
<td>1.05785</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Improves Communication b/w mgmt &amp; employees</td>
<td>120</td>
<td>2.8500</td>
<td>1.18570</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Improves Productivity</td>
<td>120</td>
<td>2.6083</td>
<td>1.07918</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Improves Morale</td>
<td>120</td>
<td>2.7833</td>
<td>1.14630</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Prefer to dress casually for work</td>
<td>120</td>
<td>3.1083</td>
<td>1.09080</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Dress casually for work is confusing</td>
<td>120</td>
<td>3.1250</td>
<td>1.12692</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>BCA policy is an important employee benefit</td>
<td>120</td>
<td>3.1333</td>
<td>1.14447</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Saves me money</td>
<td>120</td>
<td>2.9417</td>
<td>1.19731</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Some take dressing casually too far</td>
<td>120</td>
<td>3.7000</td>
<td>1.10461</td>
<td>1.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Employees are respectful to managers when dress casually</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>120</td>
<td>1.8000</td>
<td>.40168</td>
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</table>
Table 6b:
Mann-Whitney Test

<table>
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<th>Feature</th>
<th>Gender</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfortable wearing BCA</td>
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<td>24</td>
<td>62.35</td>
<td>1496.50</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>96</td>
<td>60.04</td>
<td>5763.50</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Makes workplace friendlier</td>
<td>Female</td>
<td>24</td>
<td>62.50</td>
<td>1500.00</td>
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<tr>
<td></td>
<td>Male</td>
<td>96</td>
<td>60.00</td>
<td>5760.00</td>
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<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improves Communication b/w mgmt &amp; employees</td>
<td>Female</td>
<td>24</td>
<td>63.65</td>
<td>1527.50</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>96</td>
<td>59.71</td>
<td>5732.50</td>
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<td></td>
</tr>
<tr>
<td>Improves Productivity</td>
<td>Female</td>
<td>24</td>
<td>60.27</td>
<td>1446.50</td>
</tr>
<tr>
<td></td>
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<td>96</td>
<td>60.56</td>
<td>5813.50</td>
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<td>Improves Morale</td>
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<td>63.08</td>
<td>1514.00</td>
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<td>96</td>
<td>59.85</td>
<td>5746.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prefer to dress casually for work</td>
<td>Female</td>
<td>24</td>
<td>58.79</td>
<td>1411.00</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>96</td>
<td>60.93</td>
<td>5849.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dress casually for work is confusing</td>
<td>Female</td>
<td>24</td>
<td>54.06</td>
<td>1297.50</td>
</tr>
<tr>
<td></td>
<td>Male</td>
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<td>62.11</td>
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<td>BCA policy is an important employee benefit</td>
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<td>Saves me money</td>
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<td>55.75</td>
<td>1338.00</td>
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<tr>
<td></td>
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<td>61.69</td>
<td>5922.00</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Some take dressing casually too far</td>
<td>Female</td>
<td>24</td>
<td>61.83</td>
<td>1484.00</td>
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<td></td>
<td>Male</td>
<td>96</td>
<td>60.17</td>
<td>5776.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td></td>
<td></td>
</tr>
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<td>Employees are respectful to managers when dress casually</td>
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<td>56.54</td>
<td>1357.00</td>
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<td>5903.00</td>
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Table 6c:
Test Statistics (a)

<table>
<thead>
<tr>
<th>Comfortable wearing BCA</th>
<th>Makes workplace friendlier</th>
<th>Improves Communication b/w mgmt &amp; employees</th>
<th>Improves Morale</th>
<th>Improves Morale</th>
<th>Prefer to dress casually for work</th>
<th>Dress casually for work is confusing</th>
<th>BCA policy is an important employee benefit</th>
<th>Saves me money</th>
<th>Some take dressing casually too far</th>
<th>Employees are respectful to managers when dress casually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mann-Whitney U</td>
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<td>1104.000</td>
<td>1076.500</td>
<td>1076.500</td>
<td>1146.500</td>
<td>1090.000</td>
<td>1111.000</td>
<td>997.500</td>
<td>1122.000</td>
<td>1038.000</td>
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<td>Wilcoxon W</td>
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<td>5760.000</td>
<td>5732.500</td>
<td>5746.000</td>
<td>1446.500</td>
<td>1546.000</td>
<td>1411.000</td>
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<td>5778.000</td>
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<td>Z</td>
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<td>-.328</td>
<td>-.513</td>
<td>-.037</td>
<td>-.419</td>
<td>-.280</td>
<td>-.049</td>
<td>-.203</td>
<td>-.773</td>
<td>-.219</td>
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<td>Asymp. Sig. (2-tailed)</td>
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<td>.743</td>
<td>.608</td>
<td>.976</td>
<td>.675</td>
<td>.780</td>
<td>.294</td>
<td>.839</td>
<td>.439</td>
<td>.827</td>
</tr>
</tbody>
</table>

a. Grouping Variable: Gender

**Limitations and Future Research**

As with previous research, the use of a non probabilistic sample places limits on the generalizability of the results.

**Conclusion**

The male and female irrespective of genders felt that they were more productive when they were wearing casual clothes. The paper has looked into the gender perception and it is no way conclusive to state whether actually productivity increased in organization.

The study can be an important basis for having a casual dress code in organizations to increase the comfort level of people working in an organization.

**References**

Rural Marketing

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vidya.iyer16@gmail.com

Abstract
In the recent years, rural markets in India have undergone considerable changes as the urban markets have hit saturation and relative growth has slowed down. Marketers have realized that rural India has tremendous potential and with increasing focus of the policy makers on injecting money to pump the rural economy have all contributed towards an increased interest of businesses towards rural India. This article is an attempt to understand rural markets and how organizations serve the emerging rural markets.

Introduction
Rural Marketing is defined as a function that manages all activities involved in assessing, stimulating and converting the purchasing power of rural consumers into an effective demand for specific products & services and moving these products & services to the people in rural areas to create satisfaction and a better standard of living and thereby achieving organizational goals.

C.K. Prahlad in his book ‘The Fortune at the Bottom of the Pyramid’, speaks about the need for companies to design and develop innovative products and services which help the poor prosper by partnering and engaging with them. He goes on to say that there is huge consumer potential in rural India and addressing this segment is a win-win partnership for both - companies and people.

Understanding the Rural Market
With a population already in excess of one billion people, India has caught the eye of multinational corporations across the globe as a place of opportunity for exploring new markets. While India has portions of their
population that would be considered wealthy or middle class by Western standards, a much greater percentage of India’s population is low income. As a result, they spend money, live, and use products differently than the countries where most multinational corporations originate. Rural areas, in particular, exemplify these differences. Understanding the characteristics that make the people and the market in rural India unique can help corporations to enter this market with success.

The Products in the rural market should essentially operate at the basic and expected level of product classification. They should essentially meet the basic needs of the consumer and should be a no-frill product, as the consumer would not be valuing much any further addition to the product concept. Companies also face a daunting task in communicating information about their products to the consumer due to lack of literacy and the failure of traditional media to penetrate in the rural households. Hence, the advertising mix has to be more towards non-conventional yet effective medium like Puppetry, Folk Theater & Song, Wall Painting, Demonstration and Posters.

**Different Buying Behaviors**

Due to the differences in the needs, buying behavior, values and aspirations of the customers the marketing concepts have to be modified to be successful. Buying behavior is different among urban and rural customers in the same income bracket as the rural mind is troubled by uncertainties which may be irrelevant in the urban context. The rural consumer is socially, psycho graphically, economically different from their urban counterparts. Therefore, companies need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern.

One of the main influencer in the rural market is the retailer. He is the person who pushes a brand to the consumer, as the consumer is unaware of different brands existing and has no choice or preference. The rural consumer only asks for the generic product from the retailer and the retailer pushes a particular brand according to the availability and the returns he gets out of that brand. Hence, educating, training and networking with these retailers should be emphasized.

As we see rural Indian market has its own uniqueness such as –

- **Traditional Outlook**
  The rural customer has a very traditional approach, with old customs and values which has not changed over the time. These customs and values play a vital role in his buying behavior.

- **Levels of Literacy**
  Literacy rate is very low and this comes in the way of the promotional activities of the marketer.

- **Lack of proper Communication and Infrastructure Facilities**
  Lack of proper roads, warehouses, communication systems, financial facilities makes it very difficult for the marketer to physically distribute the goods.

- **Many Languages and Dialects**
  Advertising and Communicating to the target audience becomes difficult due to wide range of languages and dialect in different regions in rural India.
Low per capita Income

Purchasing power reduces due to low per capita income found in the rural areas as compared to the urban region and hence consumers are extremely price sensitive.

Successful Companies in Rural Markets

Marketers need to understand the hurdles and constraints of rural India and then plan their marketing strategies. Some companies have successfully tapped this market as mentioned below:

HLL (now, HUL) initiatives in the rural India- Project Shakti, which is not only helping their company attain some revenue but also helping the poor women of the village to attain some money which is surely going to increase their purchasing power. Also this will increase their brand loyalty as well as recognition in that area.

ITC E-Chaupal, which is helping the poor farmers get all the information about the weather as well as the market price of the food grains they are producing. In other view these activities are also helping the companies increase their brand value.

Having timed out the competition in the urban markets, Titan Industries, the country’s largest watch maker is all set to aggressively move the rural consumers. Their ‘Sonata’ brand is aimed to both “satisfy and stimulate” rural demand. Titan sees rural India as a market waiting for the marketer. Titan managers believe that the rural market needs a completely different communication exercise to be effective.

Coca-Cola India doubled the number of outlets in rural areas from 80,000 in 2001 to 160,000 in 2003, which increased market penetration from 13 per cent to 25 per cent. It also tapped local forms of entertainment like annual haats and fairs and made huge investments in infrastructure for distribution and marketing. Result: the rural market accounts for 80 per cent of new Coke drinkers and 30 per cent of its volumes.

Gujarat Co operative Milk Marketing Federation is India’s largest food products marketing organization with 2.6 million number of milk producer members, 12,792 number of village societies, 10.16 million litres milk per day aims at safeguarding both the producer and the consumer’s interest and have created history with co operatives and positioning Gujarat in the world map. Chairman B.G. Bhatol says –

“Cooperatives have historically played a significant role in promoting agricultural and rural development. Cooperatives enable farmers to retain control on the value chain for their own agricultural produce. A cooperative form of organization, not only helps in reducing transaction cost, it also enhances the bargaining power of producers’ vis-à-vis their customers as well as input-service providers. Cooperatives have several inherent advantages over other forms of organizations in terms of ensuring members’ participation, mobilizing people’s resources and in securing integration of various functions. They also effectively ensure equitable distribution of benefits of development. Dairy cooperatives across India and Sugar cooperatives of Maharashtra are prime examples of organizations, which have promoted and sustained rural development”.

Vidya Iyer
Marico Industries - Parachute Coconut Oil Pouches

With the objective of creating awareness for Parachute Coconut Oil pouches in towns with less than 20,000 populations in Tamil Nadu, and in order to convert loose oil buyers into Parachute pouch customers, Marico Industries launched a van campaign. The communication strategy focused on getting women out of their homes to participate in the van campaign, which was aimed exclusively for them and for the first time conducted by women.

Teaching people how to wash utensils!!

In the year 2002, HUL, FMCG Company undertook a promotional exercise in the streets of the rural areas of Madhya Pradesh, Bihar and Orissa for its utensil-cleansing bar, ‘Vim’. A part of their TV campaign, ‘Vim Khar Khar Challenge’, the promotion drive involved their officials to visit rural towns and demonstrate how to clean utensils with Vim.

Conclusion

Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India, as also in several other countries, is still in evolving shape, and the sector poses a variety of challenges, including understanding the dynamics of the rural markets and strategies to supply and satisfy the rural consumers.

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Book Reviews

Book: Total Quality Management
Authors: Dale H. Besterfield, Carol Besterfield-Michna, Glen H. Besterfield, Mary Besterfield-Sacre
Publishers: Prentice-Hall India
Price: Rs. 375/

The book provides a fundamental, yet comprehensive, coverage of Total Quality Management (TQM). It covers not only the principles and practices, but also the tools and techniques. A practical state-of-the-art approach is stressed throughout. Sufficient theory is presented to ensure that the reader has a sound understanding of the basic concepts. Mathematical techniques are reduced to simple mathematics or developed in the form of tables and charts. The book serves the instructional needs of business, education, engineering, healthy care and technology students in higher education institutes. All sizes and types of organizations—service, manufacturing, government, military, construction, education, small business, health care and non-profit entities will find this book an excellent training and reference manual for all personnel.

Chapters discuss bench marking, information technology, quality management systems, quality function deployment, environmental management systems, quality by design, failure mode and effect analysis, products liability, total productive maintenance, management tools, statistical process control, experimental design, and Taguchi’s quality engineering.

Reviewed by
Sandeep Bhanot
Faculty, Operations Research and Quantitative Methods
SIESCOMS

Book – Rural Marketing Concepts and Practices
Authors: Balram Dogra and Karminder Ghuman
Publisher: Tata McGraw Hill
Price: Rs 250

The Author strives to build concepts by discussing the practices followed by rural markets and linking them with the theory. The book also tries to reveal the underlying opportunity that lies untapped in the Indian rural markets because of the maturation of the urban markets.

The author covers elaborately on the rural markets segmentation and how rural consumers are different from urban consumers. There is complete coverage of various areas of marketing which can be used for the rural markets. Some areas in my view, where the author could have done justice are the case studies which could have been of the present scenario.

The highlight of the book is the e-Governance for Rural India which involves the use of information and communication technologies in public administration in order to improve public services and democratic processes. The language used is simple and easily comprehensible. This book can be recommended to the rural marketing students.

Reviewed by
Vatsala Bose
Faculty Marketing
SIESCOMS
Business Diary

An interview with Mr. Harish Aiyer, Director, Softcell Technologies Limited.

Softcell Technologies Limited is a 20 year old business-to-business IT infrastructure Services Company. With more than 300 member workforce, they provide end-to-end IT infrastructure services including Software Licensing, Hardware, Security, Storage, Networking, Field Support Services, Engineering Services, Testing & Application, Life Cycle Management and Internet hosting services.

How it all began

I was a computer geek in my school. I was the only student in school who had a computer ZX Spectrum and was using it. My Principal was looking for someone to teach the students how to use a computer. I offered to teach the juniors in my school free of cost. My Principal took up the matter with the education society and was advised to charge a nominal fee of Rs.200/- against Rs.1200 charged by IIT professionals. We bought two more computers and started teaching....which was the beginning of my interest in teaching.

The Story of Softcell

The company Datalinks which I had formed in school at the age of 17 was doing well enough and I had continued with it (training students in about 26 schools) while I was doing my MBA from SP Jain. There were 4 other partners in the business. Soon after passing out we sold the company to Datapro and I joined TATA Burrows in US for a span of 4 years. After coming back there was an itch to start something of my own so I started Softcell (erstwhile Software Consultancy Group) as a partnership firm with Mr. Sunil Dalal with a capital of Rs.2000.

What Softcell Does

We are primarily an Information Technology company. Software is a small part of our operations. We operate in 17 verticals. We do a lot of services around the information technology domain. We are into Quality Kiosks, we are into Network Security and Hosting etc. We are the largest reseller of almost all the top brands of software. We have about one lakh products in our price list.

We have two main products - they are unique. We have developed products that connect between banks and credit bureaus. Currently we have a monopoly. We have signed up with all the 4 credit bureaus in India. We have a specialized software and
the specialized skill sets with which we are helping the credit bureaus in extracting data from the banks and putting it up with their own set ups.

**Challenges**

Challenges are there at every instance. For example to start with Rs. 2000 in the pockets and compete with companies like the Sonatas, all of whom were having a minimum of a couple of Crores of investments. To compete and survive without any investment; to find what services we could provide with the minimum inputs. To exploit the skill sets we had and then to keep building the skill sets with people whom we could afford.

We have always had to innovate. In 1990 we were the first to introduce email services using a dedicated email server using Lotus Notes. For RBI, we setup an internal email service (intranet). Slowly we got into domains that were unique in nature and were before their times. We were sure that we were getting into licensed software; there were huge margins in it and a very good market. Lotus spreadsheet was our first reselling of licensed software. Our first year turnover was twenty five thousand rupees. Next year we started doing better. We would sell them licensed software and also train them on how to use it. At that time, SCG (Software Consultancy Group) was the only company doing this work. Later we formed a limited liability company and changed the name from Software Consultancy to Softcell Technologies Limited in 1996.

**Softcell’s Employees**

We could not afford the best so we picked up people who were pass class in physics or had just done there plus two well but could not get into engineering. They were maybe mediocre but in whom we could find a spark. We had to train them and today the first ten employees of ours are multi millionaires; four of them are still working with us. They have worked very hard and each of their net worth today is probably more than ours.

**Scenario Today**

Today also the logic is very similar to what we had at the beginning...have a cost benefit approach. To be able to compete in the market, we needed to have a cost benefit approach; how to cut costs was the first parameter.

The entire business has been growing and to keep growing we have to get into bold newer things related to IT. We are not yet into development or BPOs (IT enabled services). However we are doing a lot more things than others are. We need to keep doing specialized services.

**Role Models**

My role model is Chanakya. I have used Chankaya’s teachings wherever I have gone and taught. We had to increase our growth rate exponentially in the third year. The audacity to do that came from Chanakya’s teachings. We cornered the market and got into a monopoly situation. You need to corner something to go to the next league – that is one of Chanakya’s basic teachings.

**The Way Forward**

We are a strong Indian company with around 435 people doing business worth 300 crores, but we aim to generate at least 1
crore per employee. The target is to make it a 1000 crore company in the next 4-5 years. Then we can see whether we go in for a merger or an acquisition. We have been a highly conservative company. We are PR shy and feel that we are yet to arrive.

Our client base is primarily Indian. So we haven’t really been hit that badly now. We got majorly hit in 2000 and made a loss of 2 crores and again in 2002-03. We got business worth 7-8 million from the US; unfortunately 2 of my customers were on the 88th floor of the WTC. So post 9/11, we took a major hit.

The last 2 years haven’t been too bad. At Softcells we are quite well settled now with 12 country managers managing the 17 verticals. The Directors are practically redundant now! We are ready to move into new domains. I have 3 patents right now in the domain of education. I enjoy teaching and yes will definitely be more involved in the domain of education through Higher Education Forum and Bhavans.

**Advice for Budding Entrepreneurs**

You should only venture if you have the passion; don’t venture just because everyone else is doing it or, for money. Success should not be related to the money factor only. If you are able to realize that then only one should get in. Ambanis happen once in a thousand entrepreneurs. Many of the startups go down the drain because they don’t see monetary benefits coming in. In the first 10 years don’t be dejected if you can’t make money for yourself. You have the company but it is on paper. You have to gear yourself for the next level and be inventive or you are gone. Entrepreneur,
Dear Contributors

SIES College of Management Studies invites articles for the journal of the institute published since the year 2004. There are so far 6 volumes called SIES Journal of Management. This serial publication has an ISSN to its recognition from the 5th Volume onwards.

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Manuscripts relevant to general management, marketing, finance, HR, systems, knowledge management, and management strategies are accepted. Issues pertinent to emerging changes in management are most welcome.

The manuscripts should be the original work and not published elsewhere. It could be either conceptual or application oriented. The papers will be initially reviewed by the editorial team, and if accepted would be blind refereed by an external reviewer. After the author’s acceptance and corrections of blind reviewer’s comments, the editorial will accept the paper for publication. The manuscripts could range from 3000 to 5000 words excluding tables, figures and references. Authors are also requested to suggest a few reviewers in the subject area of the manuscript (both national and international reviewers).

Guidelines for submitting manuscripts:
1. Title page: Title, Author(s)’s name, Designation and Institute of affiliation, contact address, email of first author for correspondence (on page1).
2. Abstract: An abstract of the manuscript in 150 words, followed by key words (on page2).
3. Main page: The manuscript begins from page 3 onwards.
4. References: All references should be in American Psychological Association (APA) style. For more information on the APA format, see http://www.apastyle.org
5. All figures, graphs and tables if they are extracted from excel, a copy of the excel sheet with data sheet should also be attached along with the word document.
6. Format: Times New Roman font, Font size 12, Paragraph spacing 0, Double line spacing, Label: 9-point, Times New Roman, notes at the end of the manuscript/text, before the references. Any acknowledgements should be enclosed in the notes and must be numbered 1, 2, 3…
7. If there are any graphs, graphic images, it should be in black and white with highest resolution and ownership of the same should be acknowledged in the source.
8. Please enclose a letter stating the below mentioned information

Signature of each author below certifies compliance with the conflict of interest disclosure:
All institutional or corporate affiliations of mine and all funding sources supporting the study are acknowledged. I certify that I have no commercial association that might represent a conflict of interest in connection with the submitted manuscript.

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