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From the Editor's Desk.....

Dear Readers,

Greetings from the IMER family!

We are pleased to present the eleventh volume of 'Tatva' to you. 'Tatva' is a peer reviewed journal published annually and is a platform for scholars, researchers and practitioners to share their knowledge and experience in the field of management. This issue contains ten scholarly research articles and one book review and we are sure that they will be of value to you.

There has been a steady rise in the number of retail investors in the Indian stock market. The prediction of the impact of news on volatility is vital for investors to measure the risk exposure in their investment. The first article is an attempt made by the author to study the impact of news on volatility in Indian banking sector indices of BSE Bank ex. India's passion for gold is very well known, how ever, rising gold imports have coincided with a rise in its prices and a weak ening of the rupee in the last few years. The second article discusses the impact of investment in gold on the Indian economy. The third article is a study on the impact of Foreign Direct Investment on some key sectors in India. Article four analyzes the awareness and growth of Rural Postal Life Insurance in rural India.

Teachers play a pivotal role as academic leaders in the field of higher education. There is a need to train them continuously to keep them abreast of changes Article five is an attempt to understand the effectiveness of training programs for college teachers. The sixth article is a study on the role of education in women empowerment and the seventh article explores the issues related to work and family and the factors that are important to define the quotient for work life balance.

Intense competition was witnessed in every sector of the Indian economy after globalization and innovative marketing strategies helped face this challenge. The eighth paper makes a few critical observations on various facets of marketing strategies in a competitive economy and also the need to integrate marketing strategies with environmental sustainability. The awareness of social media amongst the employees of Belgaum retailers and their attitude towards the same is explored in the ninth article. The challenge of implementing CSR provisions of the Companies Act, 2013has been discussed in the tenth paper. As has been our practice this issue also carries a book review in the area of leadership.

We are indebted to all the members of our editorial board for their constant support and guidance in our efforts towards continuous improvement. We thank all the authors for their scholarly articles and book review. We are grateful to all our readers for their patronage and invaluable feedback. We take this opportunity to invite contributions from you and your colleagues through scholarly articles, case studies and book reviews.

Wish you and your family a very happy and prosperous new year.

Dr. Shashidhar G. Chiniwar

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Book Review

Modelling the Impact of News on Volatility: A study on BSE Bankex Market Returns

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Abstract

The prediction of impact of news on volatility is vital for investors to measure the risk exposure in their investment. The present treatise is an attempt to construct an empirical model to study the impact of news on volatility in Indian banking sector indices of BSE Bankex. The daily banking sector indices for the period of January 2004 to December 2013 are taken from the online database maintained by the Bombay Stock Exchange. The data was initially studied for stationarity with the help of Augmented Dickey–Fuller test and further tested for autoregressive conditional heteroskedasticity with the help of Engle's ARCH test (i.e. Lagrange multiplier test) and Breush-Godfrey-Pagan test. These tests confirmed the stationarity and presence of ARCH effect in the BSE Bankex return series. The Nelson's EGARCH model was employed to study the impact of news on volatility in BSE Bankex return series. The test results indicate that the volatility in banking sector indices is highly persistent. The conditional variance of the BSE Bankex return series also reacts differently to a given positive shock than to a negative shock. The news impact curve indicates higher uncertainty following negative news as compared to positive news.

Keywords: Asymmetries, Autoregressive conditional heteroskedasticity, News impact curve and Stationarity.

Introduction

There is significant improvement in the performance of Indian banking sector especially in terms of transparency and efficiency due to recently introduced banking reforms. The enactment of the Securitization Act, change in the basis of income recognition and initiatives to improving recoveries spurted the treasury income of Indian banks. The outstanding track record of Indian banking sector is reflected in its market valuation. The prediction of volatility is one of the crucial aspects in investment decision making process. Investors need to study the risk-return relationship from different perspectives. News affects stock markets and it becomes vital for investors to analyse the relationship between the news and the market. The accurate modelling to study the impact of news is a necessity to study this relationship.

Review of Literature

The introduction of ARCH models by Engle and their generalization by Bollerslev had literally refined the approach to predict the volatility. They modelled the conditional volatility to capture the stylized characteristics of financial data. Crouhy Michel and Rockinger Michael (1997) applied AT-GARCH (1,1) model to study the volatility clustering. They further captured residual structure by extending AT-GARCH (1,1) to a hysteresis model (HGARCH) for structured memory effects. They found that bad news was discounted very speedily in volatility. However, good news had a very small impact on the volatility. Connolly, Robert A and Stivers, Christopher Todd (2005) studied volatility clustering in the daily stock returns at index and firm level from 1985 to 2000. They noticed decline in the relation between a day's index return shocks to its next period's volatility when important macroeconomic news was released. They finally concluded that volatility clustering was strong when there were disperse beliefs about the market's information signal. Hourvouliades.L.Nikolaos (2007) examined the existence and nature of volatility clustering in the Athens FTSE20 index futures contract to unearth the characteristics of clustering in derivatives market. He applied GARCH model and exponential smoothing model to compare forecasting power on volatility. He found volatility clustering in the time series of the Greek futures market with negative shocks being more persistent as compared to positive shocks.

Ramlall Indranarain (2010) studied the impact of the credit crunch on the volatility clustering and leverage effects in major international stock markets. He studied the impact with GARCH (1,1), GJR and news impact curves techniques. He noticed leverage effects in the post crisis period only in case of emerging markets such as JSE and SSEC. He concluded that the credit crunch accentuated the level of volatility clustering and also increased leverage effects in major international stock markets. Xue Yi and Gencay Ramazan (2012) studied multiple trading frequencies using Bayesian information updates in an incomplete market and introduced a market microstructure model to generate volatility clustering with hyperbolically decaying autocorrelations. They concluded that signal extraction induced by multiple trading frequencies can increase the persistence of the volatility. They found that the volatility of the underlying returns series varies greatly with the number of traders in the market.

Lin, Pin-te and Fuerst, Franz (2013) applied a Lagrange multiplier test for the autoregressive conditional heteroskedasticity effects and an exponential generalized autoregressive conditional heteroskedasticity-in-mean model to assess the similarity financial characteristics of regional house prices and stock indices in Canada. They found that volatility clustering, positive risk-return relationships and leverage effects exist in the majority of provincial housing markets of Canada. Researchers have given lot of attention to the volatility dynamics and impact of news in the developed and emerging financial markets. But there is lack of exploration on the impact of news on the sectorial indices of banking in India. The present treatise is an attempt to fill this gap by estimating the impact of news on volatility in Indian banking sector indices of BSE Bankex.

Objective of the study

The present treatise attempts to study the impact of news on volatility in the market returns of BSE Bankex.

Research Methodology

Database

The daily stock price data for the period of January 2004 to December 2013 on BSE Bankex has been taken from the online database maintained by the Bombay Stock Exchange. BSE Bankex indices track the performance of banking sector stocks listed on the Bombay Stock Exchange Ltd. The stocks of UTI Bank Ltd, Kotak Mahindra Bank, UCO Bank, Indian Overseas Bank, Jammu & Kashmir Bank, Vijaya Bank, Allahabad Bank Ltd, Centurion Bank Ltd, Indusind Bank Ltd, Karnataka Bank Limited, Federal Bank Ltd, Yes Bank Ltd and IDBI Bank Ltd are included in the present indices. One peculiar point to note here is that these stocks actually represent ninety percent of the total market capitalization of all banking sector stocks.

Econometric Methodology

The present treatise uses the log difference of closing prices of two successive periods in order to calculate the rate of return as the volatility in BSE Bankex indices has been estimated on returns. The following formula is applied to estimate the return series:

$$R_t = (InP_t - InP_{t-1}) * 100 \qquad (1)$$

Stationarity

The data was initially studied for stationarity with the help of Augmented Dickey–Fuller test. It examines whether a time series variable is non-stationary using an autoregressive model. It tests the existence of a unit root as the null hypothesis. The testing procedure for the ADF test consists of estimating the following regression:

$$\Delta y_t = \propto + \beta t + \gamma y_{t-1} + \delta_1 \Delta y_{t-1} + \cdots + \delta_{p-1} \Delta y_{t-p+1} + \varepsilon_t \qquad (2)$$

If the test statistic is less than the critical value, then the null hypothesis is rejected implying no unit root is present.

Autoregressive Conditional Heteroskedasticity Effect

The data is further tested for autoregressive conditional heteroskedasticity with the help of Engle's ARCH test (i.e. Lagrange multiplier test) and Breush-Godfrey-Pagan test. The ordinary least square equation may mislead in case of time varying variance. The residuals from the ordinary least square regression equation are tested for Autoregressive Conditional Heteroskedasticity effect. **Engle's ARCH test** is a Lagrange multiplier test to assess the significance of ARCH effects. The null hypothesis is:

$$\alpha_0 = \alpha_1 = \cdots = \alpha_m = 0 \quad (3)$$

The alternative hypothesis is:

$$e_t^2 = \alpha_0 + \alpha_1 e_{t-1}^2 + \cdots + \alpha_m e_{t-m}^2 + u_t \quad (4)$$

Where u_t is a white noise error process.

Breush-Godfrey-Pagan test is based on the Lagrange multiplier test principle that is used to test heteroskedasticity in the regression model. It examines whether the estimated variance of the residuals are dependent on the independent variable by regressing the squared residuals on the independent variables:

$$\hat{u}^2 = \Upsilon_0 + \Upsilon_1 x + \upsilon \quad (5)$$

Model Specification

Linear models cannot explain leptokurtosis, volatility clustering and leverage effect in the financial data. The Generalised Autoregressive Conditional heteroskedasticity (GARCH) type process very well characterised the dependence (Brooks 1996). But, the GARCH model cannot account for the leverage effects because it does not allow for direct feedback between the conditional mean and conditional variance. It enforces a systematic response to positive and negative shocks. It is the Nelson's (1991) Exponential Generalised Autoregressive Conditional heteroskedasticity (EGARCH) model that allows asymmetries. The artificial imposing of non-negativity constraints for the model parameters is not needed in this model. The

$$In\,(h^2{}_t) = \propto_0 + \Upsilon\,(e_{t-1}/h_{t-1}) + \lambda\,[(|e_{t-1}|/h_{t-1}) - (2/\pi)^{0.5}] + \beta In\,(h^2{}_{t-1}) \quad (6)$$

Properties of BSE Bankex Market Returns

Daily closing prices have been taken for BSE Bankex and converted to daily returns. The basic statistics of BSE Bankex returns is portrayed in the Exhibit 1. The average statistics of BSE Bankex returns is positive implying the fact that BSE Bankex indices have increased over the period. The returns are negatively skewed. The value of kurtosis statistics is more than three that clearly indicates the leptokurtic nature of data. BSE Bankex returns series have a heavier tail than the standard normal distribution. Jarque-Bera test confirms the non-normality of return series.The return series of BSE Bankex is tested for stationarity by applying Augmented Dickey–Fuller test. The results of Augmented Dickey–Fuller test in Exhibit 2 indicate that the return series is stationary. The null hypothesis for the presence of unit root in BSE Bankex return series is rejected as the probability value is 0. Exhibit 3 portrays the daily returns and squared daily returns on BSE Bankex indices. There are distinct periods of high volatility and relative calm that indicates volatility clustering in the BSE Bankex indices.

Box-Jenkins methodology is applied to detect whether BSE Bankex return series follow a pure AR process or pure MA process or ARMA process. The results shown in Exhibit 4 and Exhibit 5 specify ARMA (1, 1) structure of the mean equation for BSE Bankex return series. The pictorial representation of return series indicates the clustering but Engle's ARCH test and Breush-Godfrey-Pagan test are applied to test the persistence and predictability of volatility in the Indian banking sector. The residuals are tested for ARCH-LM and the results of the same are displayed in exhibit 6 and 7. Engle's ARCH test confirms the presence of conditional heteroskedasticity in the return series of BSE Bankex as the probability value is zero. The results of Breush-Godfrey-Pagan test confirm that the estimated variance of the residuals is dependent on the independent variable as the probability value is more than 0.05.

Estimation of Market Volatility in terms of Asymmetrical Response to News

EGARCH model is estimated on the BSE Bankex return series in order to test the significance of the asymmetric effects i.e. the differential effect of good or bad news. Exhibit 8 portrays the results of EGARCH model estimation. The value of EGARCH parameter is close to one that indicates the persistence in the volatility shocks. The leverage effect term i.e C(5)*RESID(-1)/@SQRT(GARCH(-1)) in model is -0.060145 i.e. a negative value. This value is significantly different from zero that proves that news impact is assymetric during the sample period. The log likelihood in EGARCH model estimation for the BSE Bankex return series is higher than the estimates of GARCH(1,1) model. The Akaike info criterion and Schwarz criterion are lower in EGARCH model estimation as compared to GARCH(1,1) model. (The results of GARCH (1,1) is not given in the manuscript, but can be provided on the request of readers).

News Impact Curve

The news impact curve plots the volatility as σ^2 against the impact (i.e. $z=\varepsilon/\sigma$) where

$$\log \sigma_t^2 = \omega + \beta \log \sigma_{t-1}^2 + \alpha |Z_{t-1}| + \Upsilon Z_{t-1} \quad (7)$$

Firstly, last period's volatility is fixed. Secondly, one period impact is estimated. This one period impact is conditional on the last period's volatility. Thirdly, conditional variance series is generated and it is named as SIG2. Fourthly, z series is generated as a equispaced period between -10 and +10. Finally, news impact curve was estimated by highlighting the z series and SIG2 series from EGARCH model fitted to the BSE Bankex return series. Exhibit 9 plot the news impact curve for the BSE Bankex reurn series. The news impact curve drawn from EGARCH model which is fitted to the BSE Bankex return series clearly inidcates the asymmetrical leverage effect in the series. The conditional variance shows larger reaction to past negative news as compared to the positive news of the equal size.

Discussion

Black (1976), Christie (1982), and Crouhy Michel and Rockinger Michael (1997) have found the negative relation between returns and volatility. Further, Crouhy, Connolly, Robert A. and Stivers, Christopher Todd (2005), Hourvouliades, L.Nikolaos (2007), RamlallIndranarain (2010) and Lin, Pin-te and Fuerst, Franz (2013) statistically confirmed the impact of the news on the market. The plain GARCH model do not allow for asymmetries. It is the reason why EGARCH model was employed to study the impact of news on volatility in BSE Bankex return series. BSE Bankex return is the dependent variable in the present treatise and the time period includes the daily observations beginning with 1/02/2004 and ending with 12/31/2013 (2482 business days). The present study confirms to the results of earlier studies in terms of the basic nature of financial data of banking sector indices. The data is leptokurtic and skewed in nature. The present study also confirms that news effect market.

Conclusion

EGARCH model proposed by Nelson is employed to determine the asymmetries in the volatility. The results confirmed that there is high persistent volatility in the BSE Bankex return series. It was further found that the conditional variance of the BSE Bankex return series reacts differently to negative and positive shock of equal magnitude. The news impact curve clearly indicates that an unanticipated decrease in BSE Bankex return series leads to more uncertainty as compared to an unanticipated increase of equal size. The BSE Bankex market returns tend to be less volatile in response to good news and more vulnerable in response to the bad news.

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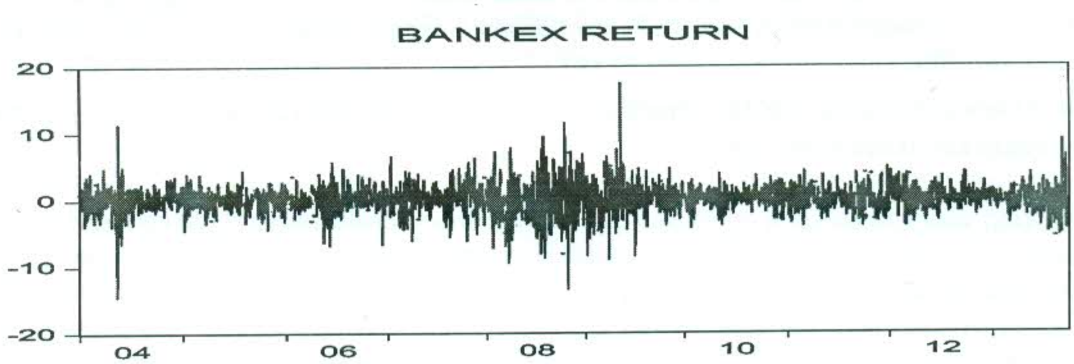
Exhibit 1: Basic statistics of BSE Bankex returns

Descriptive Statistics	BSE Bankex
Mean	0.060937
Median	0.111960
Maximum	17.54832
Minimum	-14.48036
Std. Dev.	2.130526
Skewness	-0.060399
Kurtosis	8.459875
Jarque-Bera	3083.141
Probability	0.000000
Observations	2481

Exhibit 2: Results of augmented Dickey–Fuller test on transformed series

Null Hypothesis	t-Statistic	Prob.*
BANKEX Returns has a unit root	-43.43202	0.0000

Exhibit 3: Plot of daily returns and squared daily returns



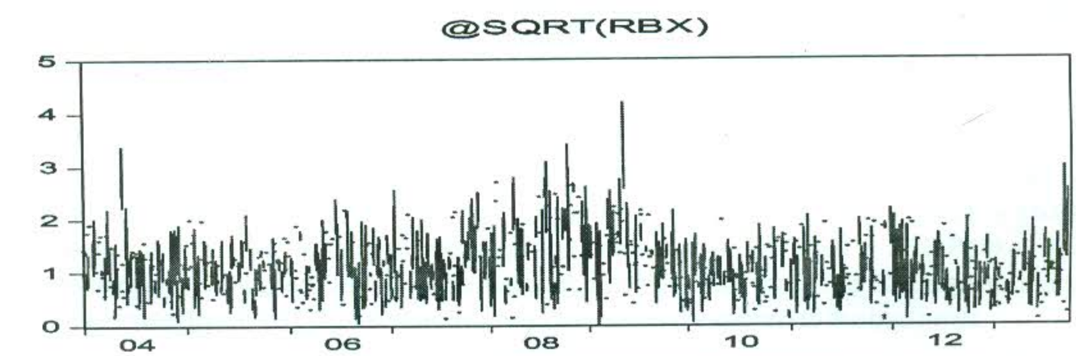


Exhibit 4: Results of ACF, PACF and Q statistics

Lags	AC	PAC	Q-stat	Prob.
1	0.136	0.136	45.674	0.000
2	-0.030	-0.050	47.976	0.000
3	-0.008	0.003	48.136	0.000
4	-0.026	-0.028	49.876	0.000
5	-0.055	-0.049	57.484	0.000
6	-0.063	-0.051	67.278	0.000
7	0.000	0.012	67.278	0.000
8	0.039	0.032	71.003	0.000
9	0.032	0.020	73.487	0.000
10	0.029	0.020	75.570	0.000
11	0.019	0.010	76.491	0.000
12	-0.008	-0.011	76.636	0.000
13	-0.008	0.000	76.803	0.000
14	0.032	0.041	79.402	0.000
15	0.009	0.004	79.593	0.000

Exhibit 5: Correlogram of return series of BSE Bankex

	Bankex	
Lags	AC	PAC
1	|* |	|* |
2	| |	| |
3	| |	| |
4	| |	| |
5	| |	| |
6	| |	| |
7	| |	| |
8	| |	| |
9	| |	| |
10	| |	| |
11	| |	| |
12	| |	| |
13	| |	| |
14	| |	| |
15	| |	| |

Exhibit 6: Results of Engle's ARCH test

F-statistic	150.4625	Prob. F(1,2477)	0.0000
Obs*R-squared	141.9607	Prob. Chi-Square(1)	0.0000

Exhibit 7: Results of Breusch-Godfrey Serial Correlation LM Test

F-statistic	0.070244	Prob. F(2,2475)	0.9322
Obs*R-squared	0.140746	Prob. Chi-Squ	0.9320

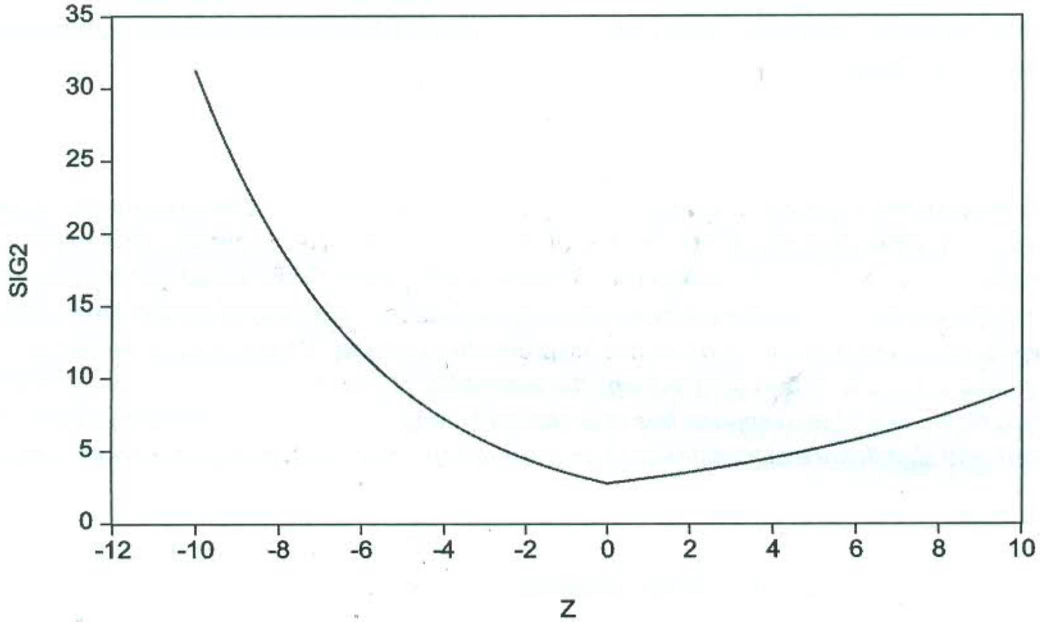
Exhibit 8: EGARCH model estimation

Dependent Variable: RBANKEX
Method: ML - ARCH (Marquardt) - Normal distribution
Sample (adjusted): 1/02/2004 12/31/2013
Included observations: 2481 after adjustments
Convergence achieved after 19 iterations
Presample variance: backcast (parameter = 0.7)
LOG(GARCH) = C(3) + C(4)*ABS(RESID(-1)/@SQRT(GARCH(1)))+ C(5)*RESID(-1)/@SQRT(GARCH(-1)) + C(6)*LOG(GARCH(-1))

Variable	Coefficient	Std. Error	z-Statistic	Prob.
GARCH	-0.013114	0.014396	-0.910961	0.3623
C	0.121362	0.051524	2.355427	0.0185
	Variance Equation			
C(3)	-0.112557	0.010553	-10.66602	0.0000
C(4)	0.183060	0.014969	12.22951	0.0000
C(5)	-0.060145	0.007430	-8.094957	0.0000
C(6)	0.977692	0.003450	283.4018	0.0000

R-squared	-0.001144	Mean dependent var	0.060937
Adjusted R-squared	-0.001548	S.D. dependent var	2.130526
S.E. of regression	2.132174	Akaike info criterion	254.072
Sum squared resid	11269.95	Schwarz criterion	4.086320
Log likelihood	-5045.631	Hannan-Quinn criter.	4.077363
Durbin-Watson stat	1.731983		

Exhibit 9: News Impact Curve from EGARCH Estimations



A Study on Investment in Gold and Its Impact on Indian Economy

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Abstract

India has been known to possess large stocks of gold and studies show that they are mostly accumulations from centuries of trading rather than result of production of her mines. What is of contemporary interest, however, relate to the demand, supply and price movements and their link with policy. Some broad generalizations on these aspects would be appropriate to review the policy and identify the issues. India imports most of its gold requirement. Gold as a commodity on its own does not add much to the productive capacity of the economy. Moreover, the foreign exchange reserve that is used to import gold reduces the availability of this resource to finance the import of other commodities. Such high value of gold imports has now started hurting India's current account position. This paper studies the reasons and significance of investment in gold in India and its impact on imports of gold, CAD and Forex reserves.

Key Words: Gold, Economy, India, Investments, Imports.

Introduction

Gold has long been considered one of the most precious metals and its value has been used as the standard for many currencies (known as the gold standard) in history. Gold has been used as a symbol of purity, value, royalty and particularly associated with the roles that combine these properties. It is also used in international transactions. Gold consumption observed a sharp acceleration during the 1990s amidst liberalization of gold import policy, strong economic growth and favourable movements in gold prices. For centuries, civilizations have used gold as an object of luxury. Gold is taken as a sign of power and status. Gold holds great sacred meaning in Indian culture, as it is the symbol of the Hindu goddess Lakshmi, considered highly auspicious.

Hindus believe that gold will bring them good fortune and destiny. India is a vast country, a combination of several cultures, traditions, customs, religion and regions but the love for gold is universal. It is equally sought by rich businessman or a poor farmer. The Indian tradition demands buying gold for occasions such as weddings, birthdays, anniversaries and other important festivals. The Hindu calendar also has some auspicious days to buy gold such as Diwali, Dussera, Dhanteras and Akshay Tritiya etc.

It is a given fact that over the last decade, gold has given returns which no other asset class has been able to match. However, the demand for gold among Indians has always been price independent. Gold is a traditional investment strategy Indians follow. The effect of high prices has been minimal on the volume of gold imported. The lower prices may increase the demand in the coming days. It is the economies of the US and Europe that play a major role in determining the price movements of gold. By importing gold for our consumption, we Indians are investing in the international markets and helping their economies.

Over the last few years, the Indian markets are supported majorly by the foreign inflows. Participation of Indian domestic investors becomes all the more important for the Indian markets to prosper. Even for the transition of India from a developing market to developed market, it is important that the domestic investors stay invested in the capital markets.

Significance of Gold in Indian Culture

- Gold is considered as equivalent to liquid cash

- ❖ Gold is a very good form of investment
- ❖ Gold is accepted as a prestigious gift item
- ❖ Gold is considered as a status symbol
- ❖ Gold has a religious significance
- ❖ Gold has great ornamental value
- ❖ "Gold": A great desire to inherit as ancestral property

Gold Rush on Indian Economy

"An inch of time is an inch of gold, but one can't buy that inch of time with an inch of gold". This Chinese proverb applies perfectly in the case of Indians who invest in gold as a security for bad times in the future. It is this craze for the yellow metal which is ruining the Indian economy. There is a heavy impact on the Indian economy because of the gold consumption by individuals in India. The common man understands that he makes an investment in gold by paying in terms of Rupees, the Indian currency. But the actual fact is that the payment for their investment is made in terms of dollars. By purchasing billions of dollars' worth of gold, they are actually sending out Indian cash overseas, disrupting the balance between the money that is entering and leaving the economy.

This imbalance finally drives down the value of the Indian rupee. As a result of the devaluation of the Indian currency imports become more costly and the businessmen find it difficult to pay off their international loans. If gold imports can be restricted for one year the current account deficit scenario of India can be completely changed. India is the world's biggest gold importer soaking up a third of the world's supply of gold every year. It is this import of gold which is curbing the growth of Indian economy.

Review of Related Literature

Dr. S. Amrita Rai (2009) studies the financial crisis that rocked the global markets by the end of 2008. Due to this crisis a new trend of investing certain amount of their portfolios in gold began and the regular investor started investing in gold. Gold no doubt is a hedge against all kinds of uncertainties but the Governments need to take strict measures to control the increasing prices of the yellow metal and help the investors overcome the losses due to uncertainties in the other markets. Fan Fei (2010) explains in his paper about the attempt to disentangle the price movement of gold after the Bretton-Woods system, the last international monetary regime based on gold. The author concludes that in the recent years there is an increasing trend in gold prices and in the years to come there is going to be an aggressive growth in gold prices. Mishra and Mohan (2012) opine that domestic and international gold prices are closely interlinked. And then their study examines the nature of the changes in the factors affecting international gold prices during the last two decades.

Short-run volatility in international gold prices used to be due to fluctuations in traditional factors such as international commodity prices, US dollar exchange rate and equity prices. Ruturaj et.al 2012 in his research paper makes an attempt to analyse the causality relation that may run between domestic gold prices and stock market returns in India. The study is carried out by taking into consideration the domestic gold prices and stock market returns based on BSE 100 index. The author investigates using the Granger causality in the Vector Error Correction Model for the period January 1991 to December 2009. The analysis provided the evidence of causality between the variables.

Objective of the Study

- To analyse the impact of gold investment on imports of gold
- To analyse the impact of gold investment on CAD
- To analyse the impact of gold on forex

Research Methodology

This paper aims at investigating the factors for steep rise in the prices of gold in India. This study is majorly based on secondary data that have been collected from the database on Indian economy which is maintained by Reserve Bank of India. The study analyses the yearly domestic gold prices which have been calculated by taking average of gold price of every month in a year.

Data Analysis

The highest share of Indian imports is petrol and crude oil (30.1%) and the second position is gold and silver (10.1%). (See Table 1). The third position is taken by pearls and precious metals, which are again supplementing the gold imports. The oil import is huge burden on India's BOP but oil consumption is something which is very difficult for India to reduce but there is an option to restrict and control the imports of gold and silver.

It is in fact shocking to note that India dominated over China in its demand for gold. (See Table 2). It is very clear that India is the world's biggest importer of gold. It accounts for nearly one third of the total world's demand for gold. Indian consumers' demand for gold is 37.6% more than that of China, another major economy of the world. Russia, USA and UK do not even come close to the levels of Indian and Chinese consumer demand..

Impact of Gold Imports on CAD

The nation's CAD, which reached a record 6.7 per cent of GDP in three months ended in December 2013, is widely considered the biggest concern for Asia's second largest economy. CAD represents the difference between India's imports of goods and services and its exports plus remittances by Indians living abroad. One way of looking at it is that India does not earn enough in foreign exchange to pay for imports such as oil and fertilizers. The excess of imports over exports, or the CAD, is usually covered by foreign investors bringing money into India or by dipping into the country's forex reserves. According to the Reserve Bank of India, with domestic production of gold falling to an insignificant level, current gold consumption is met entirely through imports. Though it is generally considered that a CAD of between 2.5 per cent and 3 per cent is sustainable for India, it has been very high since 2011, and external resilience has weakened on account of gold.

Impact of Investment on Gold on Forex Market

The first major problem faced by the Indian economy is a high rate of gold consumption which is resulting in increasing CAD. India has to pay for its gold imports using its foreign exchange reserves. In spite of India being the largest importer of gold in the world its share in the total reserve of the country is the lowest. India is leading in terms of gold demand, however it lags behind in maintaining good foreign exchange reserves. India is in the sixth position with as low as 9% gold in the total forex reserves as can be seen in Table 3.

Gold Locked in Temples

The potentially large but a dormant source is the gold locked up with the temples across India. Larger holdings of gold are estimated to be with Balaji temple, Tirupati in Andhra Pradesh, Sree Anantha Padmanabhaswamy temple, Trivandrum, Guruvayur temple and Sabarimala temples in Kerala, as well as scores of religious places in southern states, with substantial gold holdings. The Sree Anantha Padmanabhaswamy temple is estimated to have gold holdings valued at more than Rs. 1000 billion. According to Jamal Mecklai, chief executive, Mecklai financial, the Tirupati temple could have gold holdings of almost 1700 tons. Even if the government borrows 500 tons from Tirupati and pays it two percent interest, the temple authority could earn 30 billion a year in interest. Tirupati's holdings could be about five percent of an estimated 30,000-35,000 tons of gold held in India.

Action Taken by the Central Government

The government has tried to tackle the problem, raising import taxes and considering changing regulations so that less gold comes into India via the banking system. But the recent drop in gold prices could have provided the most effective fix. In August 2013, the finance ministry had banned banks from selling gold coins in order to contain the country's burgeoning CAD. Gold imports have fallen sharply to $650 million in August 2013 on account of the steps taken by government to curb inbound shipments of the precious metal. Gold imports are estimated to have declined by 41 per cent to 500 tons in 2012-13 financial year on account of curbs imposed by the government.

Action Taken by the RBI

The Reserve Bank of India (RBI) thinks that a CAD of 2.5 per cent of the gross domestic product (GDP) is sustainable. Against this, India's CAD in 2011-12 was 4.2 per cent of GDP and in the last quarter for which data is available, was 6.7 per cent of GDP. The greater the gap between the sustainable CAD level and the actual figure, the more vulnerable the economy is to adverse global developments which could suck out foreign investment. On the quantitative front, RBI introduced the 80:20 formula under which 80 per cent of imports would be for domestic demand while 20 per cent of total imports would have to be re-exported through value additions in the form of jewellery.

Alternatives to Reduce Investment in Gold

- **Increase the reach of Banks:** The growing demand for gold purchases in the country is an indication that households with high levels of savings are looking at options available to invest their savings. As per a World Gold Council Report, India has one of the highest saving rates in the world; estimated at around 30% of total income, of which 10% is invested in gold. Therefore it is important that the financial sector taps this huge saving reserve. This is particularly true for the rural areas where according to the same World Gold Council Report only 21% of rural India had access to formal financial sources. Therefore lack of availability of alternate avenues of investment that might be resulting in heavy gold purchases.

- **Innovative means of alternate investments must be considered:** It must be understood that it is easier for a rural person to buy gold jewellery than opening a deposit account in a bank, due to various documentary formalities that are required. In the competitive environment, banks have to contend with the transaction cost associated with servicing retail deposits and credit accounts.

- **Liquidity quotient of alternate investment instruments:** A prime reason behind increased gold purchase is its liquidity aspect that is, in case an individual requires money he can immediately sell his gold for cash. This is usually not the case with other financial products as redeeming them usually takes time. Information technology could play an important role in facilitating retail banking in rural areas. However, the government can also consider introducing high liquidity across the counter instruments with the government guaranteeing buybacks.

- **Massive education campaign must be launched:** Another alternative is to create awareness amongst the public at large as to how unnecessary piling of gold stocks with households is not only adversely impacting the current account position of the economy but is also increasing the level of black money circulation in the economy. This is happening because the purchase and sale of gold is being done in cash thereby hurting the government on two fronts. Firstly, purchasing gold against cash gives an individual an opportunity to convert his black money into white. Secondly, the cash received by the seller also remains undeclared and thereby no tax will be paid. On top of this the gold imports are being financed by the hard earned foreign exchange. Therefore it is imperative for the government to educate the citizens of the country about the adverse impact of rising gold imports.

Conclusion

India's passion for gold is not new. However, what has happened over the last few years is that rising gold imports have coincided with a rise in its prices and a weakening of the rupee against the dollar. The combined impact has served to extend the CAD. As Amartya Sen, a noted economist, has acknowledged "the importance of a holistic growth and advocated the thought that human development, as an approach needs to be the basic development idea thereby suggesting that it is advancing the richness of human life, rather than the richness of the economy in which human beings live."

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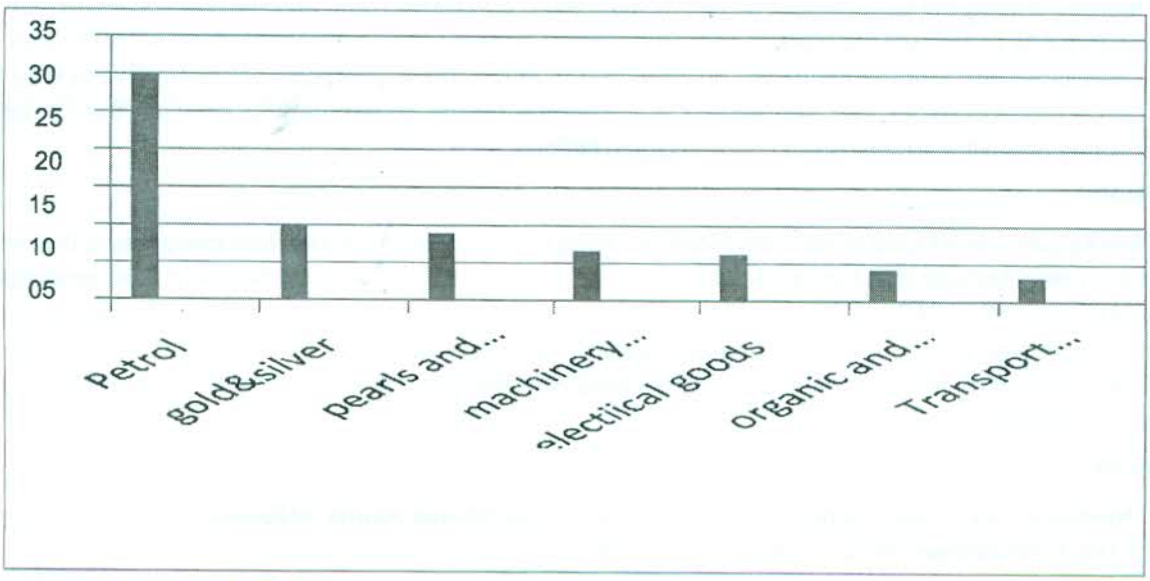
Table 1: Top seven commodities imported by India and the percentage share of imports for the year 2013

Commodity	Percentage of share of imports
Petrol crude and product	30.1
Gold and Silver	10.1
Pearls, Precious and Semi-precious Stones	8.9
Machinery except Electrical and Electronics	6.6
Electrical goods	6.1
Organic and Inorganic Chemicals	4.2
Transport Equipment	3.1



Source: www.rbi.org.in)

Table 2: Consumers gold demand for consumption in tons

Countries	Jewellers(Tons)	Barsand Coins (Tons)	Total(Tons)
India	**649.9**	**409.1**	**1059**
China	508.9	260.8	769.7
Russia	70	——	70
USA	119.3	94.2	213.5
UK	25.2	——	25.2

(*Source:* www.rbi.org.in)

Table 3: List of countries and the percentage of gold in total reserves

Countries	Gold as % ofTotal Reserve
USA	77
Germany	74
Italy	73
France	72
Netherlands	62
India	9

Impact of Foreign Direct Investment on Different Industrial Sectors: Indian Introspection

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Abstract

In developing countries, there has been a remarkable shift in attitude towards various aspects of FDI. In the past apprehensions were made that FDI might sustain, or even accentuate the home and host country's income differentials to the recipients disadvantage, however now these apprehensions has mostly given way to recognition that FDI facilitates economic development. Foreign Direct Investment in India has a positive impact on the economy as a whole. But, its impact on various individual sectors varies in nature and content. The sector-wise analysis of FDI inflow in India reveals that maximum FDI has taken place in the service sector followed by the manufacturing sector. Inflow of FDI in India has been uniform across all service sectors. An attempt has been made in this paper to assess the impact of FDI on certain key sectors of the economy. The analysis is based upon simple Karl Pearson's correlation index. Since the data of different sectors are heterogeneous in nature and with different units of measurement, so the only comparable indicator taken is correlation index. The study is based on the secondary data which are mainly available from various reports of government and semi-government organizations in this field. The data collected from such various sources have been analyzed by using some conventional statistical tools and concluding observations made.

Key Words: Developing Countries, Foreign Direct Investment, Karl Pearson's correlation index, Sector-wise analysis.

Introduction

In developing countries, there has been a remarkable shift in attitude towards various aspects of FDI. In the past apprehensions were that FDI might sustain, or even accentuate the home and host country's income differentials to the recipients disadvantage, however now these apprehensions have mostly given way to recognition that FDI facilities economic development. Whether FDI promotes competition or facilitates development of oligopolistic structures depends upon whether FDI crowds-out or crowds-in domestic investment. FDI can potentially displace domestic producers by pre-empting their investment opportunitie

Trade is an engine of growth and many countries have achieved higher growth rates by simply concentrating on the development of export oriented industries, e.g. Great Britain was a super power during nineteenth country, it was because of her strong hold on world trade also economies of China, Taiwan, etc. are also flourishing due to world trade. For sustaining an export-led growth strategy, it becomes important to attain dynamic shifts in comparative advantage and FDI can play a major role in imparting the desired dynamism on account of its global marketing network. The very fact that annual sales of foreign affiliates have outpaced total volume of global annual merchandise exports in the 1990s shows the growing importance of market access through FDI in relation to exports.

Over the last two decades there has been a change in the approach towards assessing the impact of FDI flows on the recipient economy. In the earlier approaches, the impact of FDI on growth was found to be limited in the short-run since long-term growth was largely considered to be contingent upon technology progress. On the other hand, according to the more recent indigenous growth theory, FDI is considered as a composite of capital, know-how and technology. Under this approach, FDI can have a permanent positive impact on economic growth by generating increasing returns to scale through externalities and positive productivity spillovers.

The positive impact of FDI is likely to be higher as value addition under FDI increases. Apart from increasing capital formation, FDI is expected to encourage use of new inputs and technology. Also, FDI or even purely technical collaborations are considered as a vehicle for change in management practices and organizational arrangements in the recipient developing countries. Cross-country studies are not conclusive in this regard. Empirical investigations have found that the positive impact of FDI is generally higher for recipient countries with a higher level of development. Such findings support the arguments that in the absence of a minimum threshold level of development, the positive impact of FDI on the economy is lost.Moreover, the benefits of FDI can be realized fully only if the economy's savings rate is less than domestic investment, i.e., in the context of a currency of the economy being weak, higher FDI inflows could end up in higher foreign exchange reserves. The spillover effect of FDI is also found to be the highest in industry's foreign firms. Indigenous technical capabilities are found to be positively associated with technology import, research and development in the recipient country, output and manufacturing exports.

India's increasing openness to FDI, especially after the New Industrial Policy (NIP) announced in 1991, has contributed significantly to its growth performance. The Indian government's attitude towards foreign investment has been changing in the post-liberalization period. In the 1990s, the policy was liberalized further and made more open and transparent. Beginning July 1991, The Indian government introduced a number of changes in regulatory policies under the general acceptance of the policy package known widely as the structural adjustment program (SAP). In the recent period, a number of measures have been taken to further promote FDI. These include raising the foreign ownership to 100 percent in most of the sectors, ending state monopoly in insurance and telecommunications, opening up of banking and manufacturing to competition and disinvestment of state ownership in public sector undertakings (PSUs).

Though foreign companies investing in India have performed better than the domestic companies, FDI to India has been attracted mainly by the lure of the large market. In mid-January 2004, the Central Government reviewed FDI limits in several sectors, including banking, petroleum and natural gas to create an enabling environment for FDI inflows. In case of private sector banks, for example, the FDI limit has been hiked to 74 percent. Concurrently, overseas investments in joint ventures (JVs) and Wholly Owned Subsidiaries (WOSs) have been recognized as important avenues for promoting global business by Indian entrepreneurs.

The policy-makers have also attempted to reorient India's international relations, particularly its economic relations towards countries in Asia and the Pacific. For example, India is a sectoral dialogue partner of the Association of South East Asian Nations (ASEAN) with the sectors being trade, investment, tourism, science and technology. Malaysia and Indonesia along with India belong to a Group of 15 (G-15) major developing nations, with a combined Gross Domestic Product (GDP) of US $ 1.4 trillion and a total trade turnover of US $ 1000 billion.

Review of existing literature

The comprehensive literature centered on economies pertaining to empirical findings and theoretical rationale tends to demonstrate that FDI is necessary for sustained economic growth and development of any economy in this era of globalization.

Park Jongsoo (2004) conducted a study on "Korean Perspective on FDI in India: Hyundai Motors' Industrial Cluster" indicates that industrial clusters are playing an important role in economic activity. The key to promoting FDI inflows into India may lie in industries and products that are technology - intensive and have economies of scale and significant domestic content.

In their study on FDI and its economic effects in India, Chandana Chakraborty and Peter Nunnenkamp (2006) asses the growth implications of FDI in India by subjecting industry specific FDI and output to causality tests. Their study is based on the premise that the composition and type of FDI has changed in India since 1991 which has led to high expectations that FDI may serve as a catalyst to higher economic growth. They find that the growth effects of FDI vary widely across sectors. FDI stocks and output are mutually reinforcing in the manufacturing sector. They also find only transitory effects of FDI on output in the services sector which attracted the bulk of FDI in the post-reform period. These differences in the FDI growth relationship suggest that FDI is unlikely to work wonders in India only if remaining regulations were relaxed and more sectors opened up to FDI.

Kulwinder Singh (2005) in his study "Foreign Direct Investment in India: A Critical analysis of FDI from 1991-2005" explores the uneven beginnings of FDI in India and examines the developments (economic and political) relating to the trends in two sectors: industry and infrastructure. The study concludes that the impact of the reforms in India on the policy environment for FDI presents a mixed picture. The industrial reforms have gone far, though they need to be supplemented by more infrastructure reforms, which are a critical missing link. There is a plethora of literature in this area which concentrates on the various aspects of FDI in India. However in none of these studies there are any quantitative analyses of the same. Thus the motivation of our study descends actually from existing observations which evolve out of the available data and literature in this area.

Objective and Methodology of the Study

An attempt has been made in this paper to assess the impact of FDI on certain key sectors of the economy. The analysis is based upon simple Karl Pearson's correlation index. Since the data of different sectors are heterogeneous in nature and with different units of measurement, so the only comparable indicator taken is correlation index. The study is based on the secondary data which is mainly available from various reports of government and semi-government organizations in this field. The data so collected has been analyzed by using some conventional statistical tools and concluding observations made.

India as an Investment Destination

FDI is seen as a means to supplement domestic investment for achieving a higher level of economic growth and development. FDI benefits domestic industry an also the consumers by providing opportunities for technological upgradation, access to global managerial skills, optimal utilization of human and natural resources, making Indian industry internationally competitive, opening up export markets, providing backward and forward linkages and providing access to international quality goods and services.

For several centuries, India was one of the most popular destinations of traders and businessmen from all over the world. India peacefully struggled to attain its freedom and became the largest democracy in the world in 1947. More than six decades later, India has integrated herself with the rest of the world. Now Indian economy is a globalized economy with her doors open for the entry of goods and services along with the capital and technological knowhow. Government of India took all possible measures to attract foreign direct investment as well as portfolio investment. The FDI Policy has been constantly reviewed and necessary steps have been taken to make India the most favorable destination for FDI. The reasons for foreign investors to invest in India are:

- It is the third largest reservoir of skilled manpower in the world
- Large and diversified infrastructure spread across the country
- Abundance of natural resources and self-sufficiency in agriculture
- Package of fiscal incentives for foreign investors
- Large and rapidly growing consumer market
- Democratic government with independent judiciary
- English is the preferred business language
- Developed commercial banking network of over 63,000 branches supported by a number of national and state level financial institutions
- Vibrant capital market consisting of 23 stock exchanges with over, 9,400 listed companies
- Congenial foreign investment environment that provides freedom of entry, investment, location, choice of technology, import and export
- Easy access to markets of Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka

All investment, foreign and domestic is made under the expectation of future profits. The economy benefits if economic policies foster competition, create a well-functioning modern regulatory system and discourage artificial monopolies created by the government through entry barriers. A recognition and understanding of these facts can result in a more positive attitude towards FDI.

Impact of Foreign Direct Investment Inflow in Different Sectors

Foreign Direct Investment in India has a positive impact on the economy as a whole. But, its impact on various individual sectors varies in nature and content. An attempt has been made to assess the impact of FDI on certain key sectors of the economy. The analysis is based upon simple Karl Pearson's correlation index. Since the data of different sector are heterogeneous and with different units of measurement, so the only comparable indicator is correlation index (See Table 1).

Service Sector

Service sector is a rapidly growing sector of Indian economy. It comprises of trade and commerce, banking and insurance, hotels and restaurants, real estate and business services, etc. It is also the sector which has attracted the highest amount of FDI inflow since 1991. Telecommunication sector is also a part of service sector, but for the purpose of analyzing the impact of FDI on various sectors it has been studied separately.

Indian service sector registered an average growth rate of 7.73 percent during 1999-2007, as compared to 6.8 percent growth registered by manufacturing, construction, electricity, gas and water supply sector. Share of services sector in the GDP of the country increased to more than 55 percent. During the last decade service sector attracted huge amount of FDI during 1999-2007 period. Total FDI inflow into service sector increased to a record level of Rs. 178584.7 million in 2005-06 from a meager amount of Rs 1861.5 million. It slightly decreased in the subsequent year Rs. 143776.22 million; thus, FDI inflow into service sector grew by about 96 times. Policy changes regarding the cap on FDI in various segments of service sector encouraged foreign investors to invest heavily in India. Many green field projects came up under FDI. (See Table 2)

As a result of this large inflow the service sector registered higher growth rates. Karl Pearson's coefficient of correlation between growth rate of service sector and FDI inflow into this sector shows that growth rate and FDI inflow are positively correlated very effectively (0.724). Entry of foreign players in aviation sector created world class services at New Delhi, Mumbai and Hyderabad airports. Likewise foreign insurance companies expanded the insurance sector and broke the huge monopoly of public sector giant LIC. FDI has a positive impact on the growth of service sector of Indian economy not only in terms of growth rates but also in the form of generation of high quality services.

Telecom Sector

Telecommunication sector is one of the fastest growing sectors of the Indian economy. Government of India liberalized the rules and regulations that allowed private investors to invest in this sector. FDI cap increased to 74 percent in telecom sector through FIPB route created suitable condition for FDI inflow International giant such as Vodafone and Air cell, etc. have entered into the arena. (See Table 3).The total number of telephone connections increased from 283.9 lakhs on 31st March 2000 to 2068.8 lakhs as on 31st March 2007. Teledensity increased from 2.79 to 18.31 during the same period. Quantum of FDI into telecom sector jumped from Rs. 6855.41 million in 1999-2000 to Rs. 43541.5 million in 2006-07.

Coefficient of correlation between FDI inflow into telecom sector and teledensity (An effective parameter of growth of telecom sector) is 0.5905 which shows positive impact of FDI inflow on the growth of telecom sector.

Drugs and Pharmaceuticals Sector

Drugs and pharmaceuticals sector is another sector of Indian economy with high potentials for growth. Data regarding production on a combined basis is not available; however, export data about this sector are available. For the purpose of analysis export figures have been used for this sector. Coefficient of correlation between FDI inflow into Drugs and Pharmaceuticals sector and export from this sector is 0.61 which establishes that FDI inflow has a positive impact on the performance of this sector. However, the findings are a little misleading as a large chunk of

FDI inflow into this sector was through acquisitions, rather than in green field projects. (See Table 4)3

Transportation Sector

Transportation industry comprises of manufacturing of two wheelers, three-wheelers, four wheelers and means of mass transport system. Transportation industry received Rs. 51520.62 million FDI during Aug. 1991 to Dec. 1999 which was 12.37 percent of total FDI inflow into India. FDI into this sector increased to Rs. 21242.48 million in 2002 and declined in subsequent years reaching at the lowest level of Rs. 8063.68 million in 2004.

FDI inflows in transportation industry have shown a rising trend therefore and reached record level in 2007 of Rs. 33486.9 million. Thus, cumulatively total FDI inflow into transportation industry during Aug. 1991 to Dec. 2007 was Rs. 183411.52 million which is 7.54 percent of total FDI inflow. FDI inflow into transportation industry has a positive impact on the growth of transportation equipment sector. (See Table 5).Index of Industrial Production (IIP) for transport equipment sector has increased from 194.1 (base 1993-94 = 100) in 1999-2000 to 367.7 in 2006-07, representing growth of 173.6 percentage point. Coefficient of correlation between IIP in transportation equipment sector and FDI inflow into transportation sector is 0.522 which shows a positive impact of FDI inflow on the growth of the sector.

Metallurgical Sector

FDI inflow into Metallurgical industry in India has increased many folds during Aug. 1991 to Dec. 2007. It stood at Rs. 6333.34 million for the entire period of Aug. 1991 to Dec. 1999 and was only 1.52 percent of total FDI inflow into India in a few region / sectors / states. However, it jumped to Rs. 8553.79 million in 2004 (5.81 percent of total FDI) and further to Rs. 20298.6 million in 2007 (3.10 percent of total FDI). Cumulatively total FDI inflow into Metallurgical industry was Rs. 58242.35 million for the period Aug. 1991 to Dec. 2007 which is 2.4 percent of total FDI inflow into India during the same period. (See Table 6)

FDI inflow into Metallurgical industry gave boost to the industry. It is reflected in the growth of index of industrial Production of this sector. The IIP for Metallurgical industry was 146.9 (base 1993-94 = 100) in 1999-2000 which increased to 278.9 in 2006-07 registering a growth of 132 percentage points. The coefficient of correlation between IIP metallurgical industry and FDI inflow into this sector shows that FDI inflow has a positive impact on the growth of the industry.

Conclusion

Foreign Direct Investment in India has a positive impact on the economy as a whole. The sector-wise analysis of FDI inflow in India reveals that maximum FDI has taken place in the service sector including telecommunication, information technology, travel and many others. The service sector is followed by the manufacturing sector in terms of FDI, high volumes of FDI took place in electronics and hardware, automobiles, pharmaceuticals, cement, metallurgical and other manufacturing industries. Growth in FDI flows is found to be the heaviest in consultancy services, financial and non-financial services, hotel and tourism, telecommunications and trading. Cumulative FDI inflows reached just over US $ 2431808.61 million between Augusts 1991 and Dec. 2007. Since 2002, some sectors such as electrical equipment, services, drugs and pharmaceuticals, cement and gypsum products, metallurgical industries have been doing very well in attracting FDI. The analysis of the data of FDI inflow and growth of the Indian economy in general and important sectors in particular shows that FDI has a positive impact on the economy. However, this positive effect could be all the more widespread if the FDI is evenly distributed throughout the country and leads to inclusive growth rather than being concentrated.

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TABLE 1. Correlation between FDI and different sectors and growth parameters of that sector

Sl. No	Different Sectors	Correlation	$t_{(6)}$
1.	FDI inflow into service sector and growth rate of service sector	0.72447508	2.57448
2.	FDI inflow in Telecommunication Sector and Teledensity	0.59051333	1.79233
3.	FDI inflow in Drugs & Pharmaceutical sector and Export of drugs and pharmaceuticals	0.61005061	1.88590
4.	FDI inflow into Transport Equipment Sector and Index of Industrial Production of Transport Equipment Sector	0.52242484	1.50076
5.	FDI into Metallurgical Sector and Index of Industrial Production of Basic Metals and Allow Industries	0.94725988	7.24039

TABLE 2. Growth of service sector of Indian economy and FDI inflow into service sector

Year	Service Sector	FDI Inflows into Service Sector (in millions)
1990-00	5.20	1861.5
2000-01	6.51	8202.24
2001-02	6.64	15431.39
2002-03	7.13	13903.59
2003-04	8.59	11455.83
2004-05	9.93	31445.14
2005-06	10.02	178584.74
2006-07	9.95	143776.22

Source: GOI (2009); Economic Surveys, 2008-09, Ministry of Finance, New Delhi.

TABLE 3. Growth of telecommunication sector in India and FDI Inflow into telecom Sector

Year	Wire Line (phone in Lakhs)	Wire less (phone in Lakhs)	Total (phone in Lakhs)	Tele Density	FDI Inflow into Telecom. (in Rs. Millions)
31 Mar. 2000	265.10	18.80	283.9	2.79	6855.41
31 Mar. 2001	324.40	35.80	360.20	3.48	42671.49
31 Mar. 2002	379.80	64.30	444.10	4.22	9090.70
31 Mar. 2003	406.20	126.90	533.10	4.99	7272.59
31 Mar. 2004	425.80	336.00	761.80	7.01	6787.84
31 Mar. 2005	459.10	522.10	981.20	8.82	9639.13
31 Mar. 2006	728.94	691.98	1420.92	12.74	43541.09
31 Mar. 2007	407.74	1660.54	2068.28	18.31	43541.50

Source: Annual report of Ministry of Telecommunication, GOI (2008).

TABLE 4. FDI inflow into drugs and pharmaceuticals and export from the same

Year	Export (in US $ million)	FDI Inflow into drugs and Pharmaceutical (in Rs. Millions)
1999-00	1343.4	2079.88
2000-01	1614.0	4081.79
2001-02	1733.3	2510.52
2002-03	2226.3	2793.28
2003-04	2324.8	15711.08
2004-05	2767.5	5107.25
2005-06	3250.8	9757.29
2006-07	4076.3	11405.68

Source: India Trades, CMIE Report.

TABLE 5. Growth of transport equipment sector

Year	Index of Industrial Production (Base 1993-94 = 100)	FDI Inflow in Transportation Industry (in Rs. Millions)
1999-00	194.1	12180.28
2000-01	190.3	13820.05
2001-02	203.3	21242.48
2002-03	232.9	15133.84
2003-04	272.6	8063.68
2004-05	283.7	9659.22
2005-06	319.7	18304.40
2006-07	367.7	33486.90

Source: Economic Survey, 2008-09, Ministry of Finance, New Delhi.

TABLE 6. Growth of metallurgical sector

Year	Index of Industrial production Basic metals and alloy Industries (Base 1993-94 = 100)	FDI Inflow into Metallurgical Industry (In Rs. Millions)
1999-00	146.9	655.95
2000-01	149.6	1505.8
2001-02	156.0	2095.59
2002-03	170.4	1454.52
2003-04	186.0	8583.79
2004-05	196.1	9321.99
2005-06	227.0	7992.77
2006-07	278.9	20298.6

Source: GOI, (2008 and 2009): Economic Survey, 2007-08 and 2008-09, Ministry of Finance, New Delhi.

Rural Postal Life Insurance: Its Growth and Public Awareness

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Abstract

The Government should pay serious attention to insurance penetration in rural areas as it is abysmally low as compared to urban India. The Government has authorized postal department to provide insurance service in rural areas as India has the largest postal network in the world with over 1, 55,000 post offices of which 89.76% are in the rural areas. Rural Postal Life Insurance (RPLI) was introduced in 1993 with the aim of providing low cost insurance operation through the post offices/agents. This empirical and analytical research aims to analyze the growth of RPLI and the public awareness of RPLI in rural areas. The growth of RPLI was measured through the number of policies as well as sum assured under RPLI during the period from 2001-2 to 2009-10 and it is reported that the insurance policies have grown at a CAGR of 31.16% and the sum assured has grown at a CAGR of 38.48% for the nine-year period. In addition the study on the awareness of RPLI among the rural public has revealed that there is a significant relationship between awareness of RPLI andeducation, occupation, family income and percent of saving of the rural public.

Keywords: Postal Life Insurance, Postal Department, Rural areas, Awareness

Introduction

Postal Life Insurance (PLI) is the oldest life insurer in India. It was introduced on 1st February 1884 as a welfare scheme for the benefit of Postal employees and later extended to the employees of Telegraph department in 1888. Presently, PLI covers employees of various Government sectors. Rural Postal Life Insurance (RPLI) was introduced in 1993. The aim of RPLI is to spread awareness as well as provide insurance cover to the rural areas with low cost of operations.RPLI offers six different schemes like Whole Life Assurance (GRAMA SURAKSHA), Convertible Whole Life Assurance (GRAMA SUVIDHA), Endowment Assurance (GRAMA SANTOSH), Anticipated Endowment Assurance (GRAMA SUMANGAL), GRAM PRIYA and scheme for physically handicapped persons. RPLI has a significant contribution in socio-economic development of rural areas but it'ssuccess depends on the public awareness and their acceptance.In this situation the Researcher raised the following questions

- How is the growth of RPLI?
- Has the public sufficient awareness about RPLI?

In order to find the answer to the above questions, the Researcher has undertaken this research titled "Rural Postal Life Insurance: Its Growth and Public Awareness" with the following objectives.

Objectives of the Study

- To evaluate the growth of RPLI
- To find out the public awareness of RPLI in rural areas
- To study the relationship of public awareness of RPLI among various demographic factors

Hypotheses of the Study

- Ho_1: There is a slow growth of RPLI
- Ho_2: There is no significant relationship of awareness of RPLI among various groups of public.

Review of Literature

Sridevi (2012) focuses on the factors which play a major role in buying behavior of consumers towards life insurance policies in Perambalur area and comparesthe differences in consumer perception of male and female consumers. Kirtilal and Rajendra (2012) in their study focus on the customer satisfaction towards LIC of India and it is reported that majority of the customers were satisfied with the LIC policies and service provided. Arulsuresh (2011) in his empirical study focuses on the service rendered by the Life Insurance Corporation (LIC) of India with the opinion of 300 policyholders in Madurai and it is concluded that availability of services in LIC branch and grievance redressal mechanism are the main factors for Customer Relationship Management (CRM). Ganapathi (2010) stated that post office deposits provide safety and security for the amount invested but proper advertisements must be made for creating awareness to the public towards Post Office Savings Schemes because deposits can be increased in various post office schemes. Krishnamoorthy (2008) concluded that all salaried people were aware of bank deposits, Provident Fund (PF) schemes, Insurance schemes, Post office savings schemes.

Sunayna Khurana (2008) in her study shows that the insurance sector plays a very important role in the development of any economy. Karthikeyan (2001) found that there was significant difference in the level of awareness towards KVP, National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE) among various age groups. Further, the old age group investors have higher level of awareness than young age group. Gavini and Prashanth(1999) say that Indira Vikas Patra (IVP), Kisan Vikas Patra (KVP) and Post Office Recurring Deposit Account (PORD) were the most popular among various post office schemes, in both urban and rural areas. Social considerations, tax benefits, and provision for old age were the major reasons for saving in urban areas, whereas provision for old age was the main reason in rural areas.

Research Methodology

The present empirical and analytical research design has used both secondary and primary data. The secondary data related to number of policies as well as sum assured under RPLI during nine financial years from 2001-2002 to 2009-2010 considered to measure the growth of RPLI in India. The secondary data used is officially issued by Dept. of Posts (DoPs).In addition, the primary data is used to study the awareness of RPLI in rural areas. The primary data was collected from public (respondent) who are living in various villages (Vadivelampalayam, Nathegoundenpudur, Naraseepuram, Kuppanur, Karadimadai, Sennanaur, Mathipalayam, Karunya, Semmadu and Molapalayam) of Thondamuthur block of Coimbatore South Taluk during May to August 2013. Totally 300 questionnaire - cum interview schedule were administered to collect primary data but only 82.67% of responses were used for final study. The convenience sampling method was used to select the respondents for the present study. Percentage analysis, Mean, Standard Deviation (SD), Co-efficient of Variation (CV), Compound Annual Growth Rate (CAGR), Comparative Growth analysis, Garrett's ranking and Chi-square test (χ^2) were used to draw the inferences.

Results and discussion

The collected secondary & primary data were analyzed with the help of various tools and it was presented in tabulation and graphical form.

Growth of Insurance Policies under RPLI

The growth of number of policies under RPLI across India during the study period from 2001-2002 to 2009-2010 were measured (Table 1).

The growth of RPLI with respect to number of policies during 2009-2010 was at 9925103 compared to 7356446 during the year 2008-2009 indicating an increase of 35% over the year of 2008-2009 but 7.73% over the year of 2001-2002 and the actual growth of policies under RPLI in India increased during the study period (Figure - 2). Further, the actual growth of policies under RPLI was lesser than the expected growth during the period 2003-2004 to 2008-2009 but the actual growth of policies under RPLI was higher than the expected growth in 2001-2002, 2002-2003 and 2009-2010 (Figure – 1). This is followed by number of policies under RPLI on yearly average based on the nine years was 4748032 while SD was 2806520 million and CV was 59.11% (Table – 1). In addition, the most favored year on growth of number of policies forced under RPLI was found to be 2009-2010 and least favored year of 2001- 2002 (Figure – 2).Further, this study predicts the future growth of RPLI which will reach more than 14 million policies in the year of 2014-2015 (Figure – 2) with the growth of 39% than 2009-2010. The insurance policies under RPLI have grown at a CAGR of 31.16% for the nine-year period of study(Table – 1).

Growth of Sum Assured under RPLI

The growth of sum assured under RPLI during 2009-2010 was at Rs. 59,572.59 Crore as compared to Rs. 53,072.10 Crore during the year 2008-2009 indicating an increase of 12.25% over the year of 2008-2009 and the actual growth of sum assured under RPLI in India increased during the study period from 2001-2002 to 2009-2010 (Figure - 4). Further, the actual growth of sum assured under RPLI was lesser than the expected growth during the period 2003-2004 to 2007-2008 but the actual growth of sum assured under RPLI was higher than the expected growth in 2001-2002, 2002-2003, 2008-2009 and 2009-2010 (Figure – 3). This is followed by sum assured under RPLI on yearly average based on the nine years was Rs. 28,484.51 Crores while SD was 19,909.76 and CV was 69.88% (Table – 2). In addition, the most favored year on growth of sum assured under RPLI was found to be 2009-2010 and least favored year of 2001- 2002 (Figure – 4). Further, this study predicts the future growth of RPLI with respect to its sum assurance which will reach more than the Rs.93000 Crore in the year of 2014-2015 (Figure – 4) with the growth of 56.5%. The sum assured under RPLI has grown at a CAGR of 38.48% for the nine-year period from 2001-2002 to 2009-2010 (Table – 1)

Demographic Factorsof the Respondents

Of the total respondents surveyed, 54.44% are female and 54.44% are male. Nearly 3/4th of the respondents belong to middle age group (26 – 50 years), 13.31% belong to young age group (Below 25 years) and the remaining 12.10% of them belong to higher age group (above 50 years). Majority (51.61%) of the respondents are unmarried and nearly half of them have completed higher education. The survey conducted showed that 2/5thof the respondents are agriculturists, 1/4thare govt. & private employees, nearly 1/5thare businessman.Majority of the respondents' family are middle income (Rs.1,00,001 – Rs.1,50,000) groups and a lower percent (18.15%) of the respondents' family have low income (Upto Rs.1,00,000).

Percent of Saving and Preference of Saving Avenuesof the Respondents

Figure 5 shows that 45.97% of the respondents' family has saved more than 20% of total income per month, 38.31% of respondents' family has saved between 12% to 20% per month and the remaining 15.73% has saved up to 10% per month.

To identify the most preferred saving avenue that are derived by the respondents, Garrett ranking can be employed and its computation procedures are given below:

$$\% \text{ Position} = \frac{100*(R_{ij}-0.5)}{N_j}$$

R_{ij} – rank allotted to the ith factor by the jth individual, and N_j – total number of factors ranked by the jth individual. The % position of each rank was further converted into scores by using the Garret's approach. Then, the scores of all respondents assigned to each factor were added and divided by the total number of respondents who had responded. Next, the mean scores of all the items of particulars were arranged in a descending order and ranks allotted to them according to the score obtained. (See Table 3).

It could be seen from the Table 3 that "Gold/Silver" was the first preferred investment avenue of the respondents with mean of 56.38. And "bank deposit" is the second preferred saving avenue of the respondents with an average score of 54.82 in Garrett's Ranking. "Insurance" is ranked third and "postal savings" are ranked fourth with the next highest mean score of the techniques of Garrett. On the other hand, "stock market"getthe last rank with the lowest mean score in the Garrett's ranking techniques.

Awareness of RPLI

Distribution of the respondents based on their awareness of RPLI is shown in Figure 6anddepicts that nearly 2/3rd of the respondents are aware of RPLI and the remaining 1/3rd of them are not aware.

Relationship of Awareness of RPLI toVarious Demographic Factors.

Ho: There is no significant relationship of awareness of RPLI among various groups of gender, age group, marital status, educational qualification, occupational status, family income and percent of saving of the respondents.

H1: There is a significant relationship of awareness of RPLI among various groups of gender, age group, marital status, educational qualification, occupational status, family income and percent of saving of the respondents. See Table 4.

Gender and Awareness of RPLI: It is observed from Table 4 that the calculated value of χ^2 $\{\Sigma (0 - E)^2/E\}$ comes out 0.347 @ 5% level whereas the tabulated value of χ^2 is 3.84. For that reason, null hypotheses Ho is accepted and it is concluded that there is no significant relationship of awareness of RPLI between male and female respondents.

Age group and Awareness of RPLI: It is observed from table 4 that the calculated value of χ^2 $\{\Sigma (0 - E)^2/E\}$ is 2.595 @ 5% level whereas tabulated value of χ^2 is 5.99 sonull hypotheses Ho is accepted and it is concluded that there is no significant relationship of awareness of RPLI among various age groups of the respondents.

Marital Status and Awareness of RPLI: Table 4 shows that the calculated value of χ^2 $\{\Sigma (0 - E)^2/E\}$ comes out 0.725 @ 5% level whereas the tabulated value of χ^2 is 3.84. The null hypotheses Ho is accepted and it is concluded that there is no significant relationship of awareness of RPLI between married and unmarried respondents.

Educational qualification and Awareness of RPLI: It is seen from the Table 4 that the χ^2 calculated value significant @ 1% & 5% level because the tabulated value of χ^2 $\{\Sigma (0 - E)^2/E\}$is 9.21 @ 1% level and 5.99 @ 5% level. The null hypotheses Ho is rejected and it can be reported that there is a significant relationship between awareness of RPLI among respondents and their educational qualifications.

Occupational Status and Awareness of RPLI: Table 4 shows that the χ^2 calculated value significant @ 1% & 5% level because the tabulated value of χ^2 $\{\Sigma (0 - E)^2/E\}$is 13.23 @ 1% level and 9.49 @ 5% level. Hence the null hypotheses Ho is rejected and it can be reported that there is a significant relationship of awareness of RPLI with the occupational status of the respondents.

Family income & Awareness of RPLI: It is seen from Table 4 that the χ^2 calculated value significant @ 1% & 5% level because the tabulated value of χ^2 $\{\Sigma (0 - E)^2/E\}$is 9.21 @ 1% level and 5.99 @ 5% level. Hence the null hypotheses Ho is rejected and it can be reported that there is a significant relationship of awareness of RPLI with family income of the respondents.

Percent of saving & Awareness of RPLI: Table 4 shows that the χ^2 calculated value significant @ 1% & 5% level because the tabulated value of χ^2 $\{\Sigma (0 - E)^2/E\}$is 9.21 @ 1% level and 5.99 @ 5% level. The null hypotheses Ho is rejected and it can be reported that there is a significant relationship of awareness of RPLI with saving groups of the respondents.

Conclusion

The growth of RPLI was at 9.93 billion policies and its sum assured Rs.59572.59 Crores during 2009-10 and grew 35% in number of policies and 12.25% in sum assured over the year of 2008-09 but the actual growth of RPLI in India with respect to number of policies as well as the sum assured increased from 2001-02 to 2009-10. This study expects the growth of RPLI to grow more than 14 million policies with the sum assurance of Rs.93000 Crore in the year of 2014-15. In rural areas, 2/3rd of the public are aware of RPLI and there is a significant relationship between the awareness and education, occupation, family income and saving of respondents in rural India.

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Table 1. Growth of RPLI with respect to number of policies from 2001-02 to 2009-10

Average Growth (Number of Policies)	4748032
SD	2806520
CV (%)	59.11
CAGR (%)	31.16

Source: Directorate of Postal Life Insurance, New Delhi

Table 2. Growth of RPLI with respect to sum assured From 2001-02 to 2009-10

Average Growth of Sum Assured (in Rs. Crores)	28484.51
SD	19903.76
CV (%)	69.88
CAGR (%)	38.48

Source: Directorate of Postal Life Insurance, New Delhi

Table 3. Preference of saving avenue

Saving avenue	Garrett's Point	Mean	Rank
Mutual funds	11777	47.49	V
Gold/Silver	13983	56.38	I
Insurance	12880	51.94	III
Bank deposits	13595	54.82	II
Postal savings	12861	51.86	IV
Real estate	11433	46.10	VI
Stock market	10023	40.42	VII

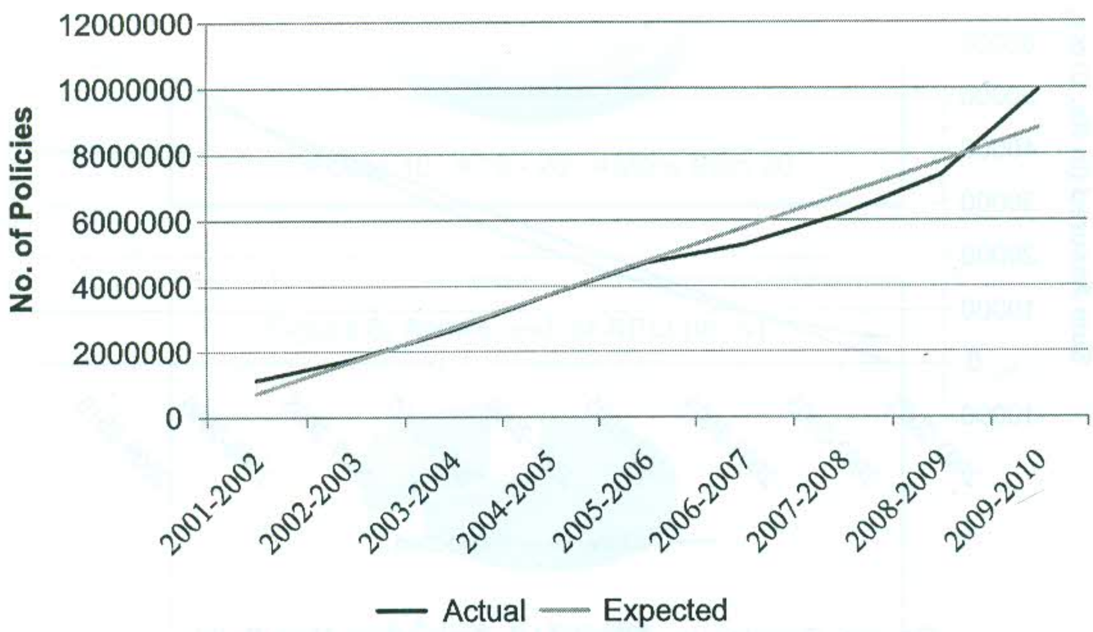
Source: Field Survey

Table 4. Relationship of demographic factors and awareness of RPLI

Variables	X^2	df	Result
Gender	0.347	1	Accept Ho& Reject Ho1
Age group (in years)	2.595	2	Accept Ho& Reject Ho1
Marital status	0.725	1	Accept Ho& Reject Ho1
Educational qualification	104.407**	2	Reject Ho & Accept Ho1
Occupational status	21.598**	4	Reject Ho & Accept Ho1
Family income (Rs. Per annum)	18.388**	2	Reject Ho & Accept Ho1
Percent of saving per month (approx.)	99.769**	2	Reject Ho & Accept Ho1

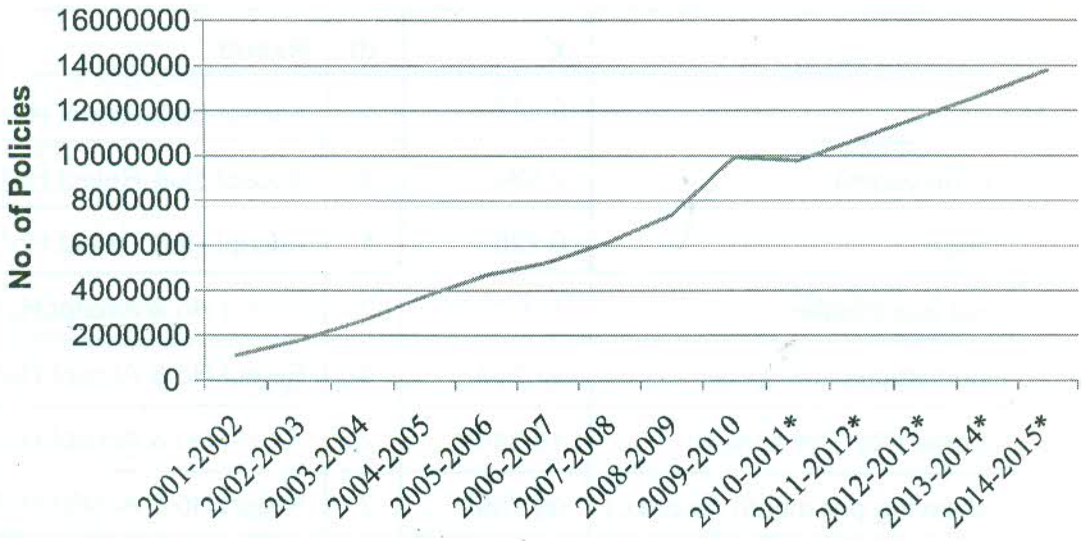
Source: Field Survey; ** @ 1% and * @ 5% level

Figure 1. Growth of policies under RPLI



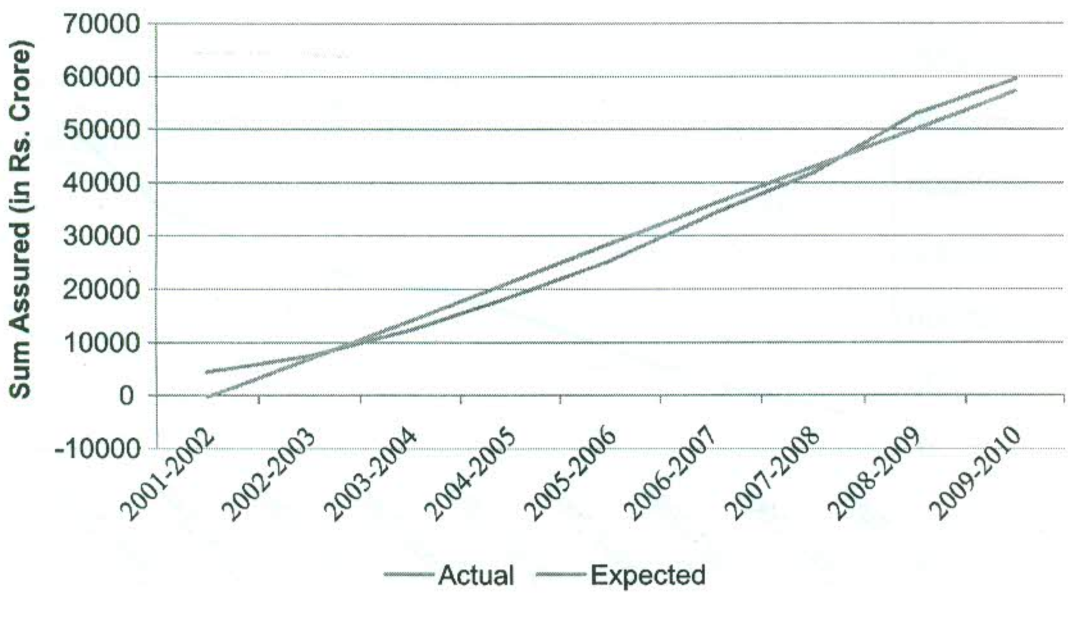
Source: Directorate of Postal Life Insurance, New Delhi

Figure 2. Growth of policies under RPLI from 200102 to 201415



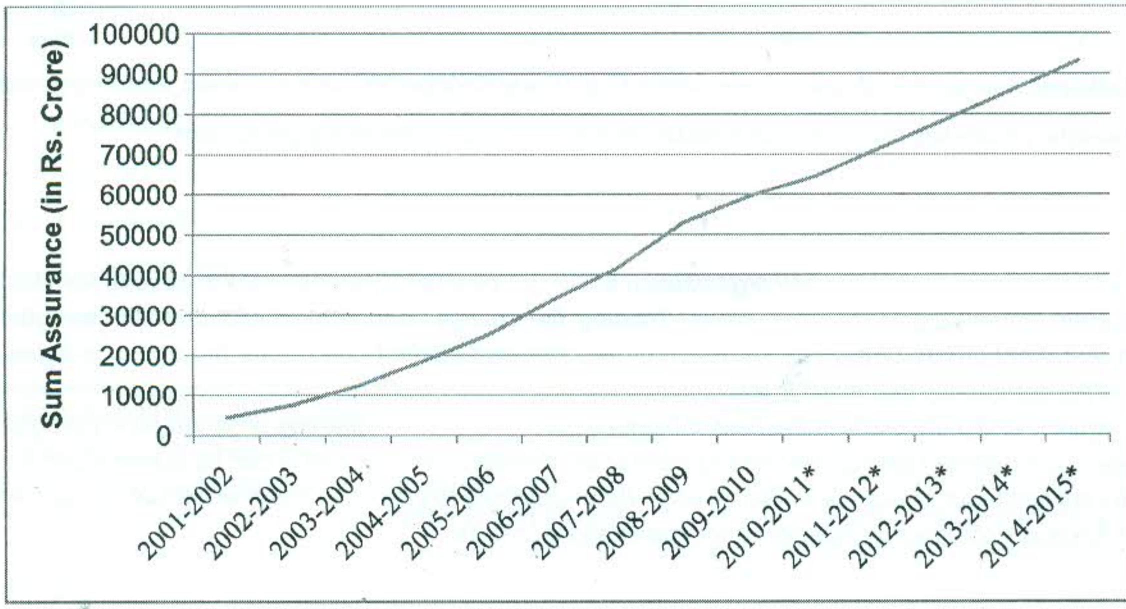
Source: Directorate of Postal Life Insurance, New Delhi; * forecast

Figure 3. Growth of sum assured under RPLI



Source: Directorate of Postal Life Insurance, New Delhi

Figure 4. Growth of sum assured under RPLI from 2001- 02 to 2014-15



Source: Directorate of Postal Life Insurance, New Delhi; * forecast

Figure 5. Percent of Saving Per Month

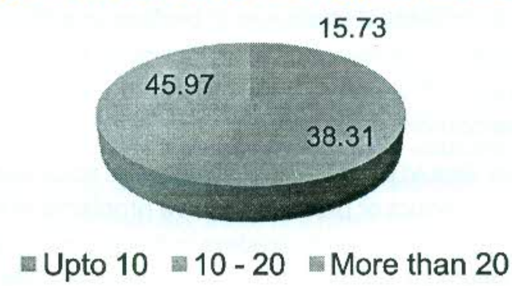
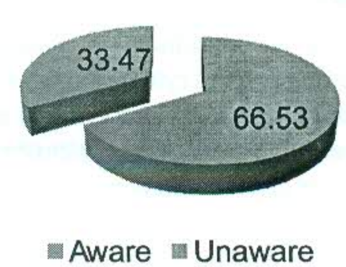


Figure 6. Awareness of RPLI (In %)



Source: Field Survey

Impact of Teacher Empowerment Program for Assistant Professors: An Empirical Study

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Abstract

Training programs are essential for any organization and its employees. Training helps to acquire knowledge, skills and competencies related to specific areas. Training for college teachers should promote analytical based education and meet needs of the community. Both teacher and student can create product or process or solve problems of the community that result in learning experience. Teachers play a pivotal role as academic leaders in the society in general and particularly in the field of higher education. After the training program, every program should be evaluated from different areas, deficiencies have to be identified and rectified. It can be summarized that training program for college teachers can be vital only when they contribute to the organizational excellence, and are carried out after a diagnosis of individual learners and organizational needs.

Introduction

After recruitment, selection and placement every employee will be given training according to the nature of work assigned to employee for doing a particular task. It certainly improves the attitude and behavior of the employees. Training programs are essential for any organization and its employees. Training helps to acquire knowledge, skills and competencies related to specific areas. "Training is a continuous process by which the aptitudes, skills and capabilities of an individual employee to perform specific jobs are increased" (Edvin.B. Flippo, 1998). "Training is the act of increasing the knowledge of an individual and helping him/her to learn how to carry out his/her present job satisfactorily" (John. P.Jkenny 2005). Khoshroo(1998) made an attempt to comprehend the teacher training for sustainable development.

Training for college teachers should promote analytical based education and meet needs of the community. Both teacher and student can create product or process or solve problems of the community that result in learning experience. Teachers play a pivotal role as academic leaders in the society in general and particularly in the field of higher education. Teachers should orient the students to meet challenges of life and develop inquiry-based learning. Moreover teachers should make the students better and responsible citizens of our nation in addition to training in their subjects. According to latest statistics, India has more than 600 universities and over 30,000 colleges engaged in imparting higher education. A college teacher should continuously update his/her knowledge in order to avoid becoming redundant. For this, training is essential for college teachers.

Importance of Training for College Teachers

The training programs should provide an opportunity for teachers to identify correct ideas. Usually, in degree courses, teachers are in a hurry of completing the syllabus in the semester system and important details are often left out. It may be justified, because the students have to appear for semester end examination. Every training program should aim at bringing about positive change to attention in the increase of:

a. Knowledge and skill addition

b. Change in behavior

c. Improvement in job performance

d. Improved organizational culture

Significance of the Study

Education is a very vital segment for the overall development of a nation. Teachers working for the cause of higher education will have to continuously endeavor to develop their professional skills with a view to impart quality education to develop their students. Hence, it is necessary to examine the various issues of teacher training programs.

Objectives of the study

The objectives of the study are:

a. To assess the effectiveness of training program and training methods

b. To improve the quality of training objectives

c. To justify the course-benefits of training

Methodology

This is an empirical study based on the analysis of field survey and therefore the research model selected here is one suitable for such type. The study is based on both primary and secondary data. Primary data is collected through personal interviews from all 42 participants of training program. Secondary data is collected through books, journals,handouts issued by the training institutes and are used for compiling the information pertaining to training aspects. Researcher`s personal observations and discussions with participants are also considered to have the broader perspective to draw inferences..

This study is subject to certain limitations:

a. The study covers only one training program held during the academic year 2011-2012.

b. The opinions, behaviors and attitudes of the respondents reflected in this study are restricted to one training program. And hence the findings are confined to one training program.

By keeping all these parameters in view, the present study is analyzed here under.

Results and Discussions

As mentioned earlier training may be given to a teacher who joined the service for the first time, which is known as induction/orientation program. The teachers of higher education system may be given training periodically to enrich their knowledge, skills and teaching learning methods and strategies. After some time, they may forget some of the methods and strategies. So, there is a need to refresh or retrain then regularly. Hence, this study is undertaken to know:

a) The training needs and its outcome

b) Reasons for attending training program

c) Methods and relevance of training program and

d) The quality aspect of training.

By keeping all these parameters in view, the present study is analyzed here under.

Essence of training for college Teachers

An attempt has been made to assess the training needs and the results arrived from the trainees view point (See Table 1). Most of the respondents (76.19%) opined that college teachers also need training whereas 23.81% felt that there is no need of training. Pre training communication to the college teachers is prerequisite with a detailed schedule of the training program. 95.24% of the respondents were communicated whereas 4.76% were not communicated but they knew through their heads of the institutions and others.

Majority of respondents (71.43%) were satisfied and 25.57% were not satisfied with the existing facilities and services. It demands the attention of such training institutes for creating the necessary facilities to make the training more effective. Trainees learn new skills and capabilities after attending any kind of training program. It is testified in this study that majority of trainees (80.95%) opined that the training enhanced their teaching skills and capabilities and 66.66% of the college teachers agreed with the results achieved out of training.

Responses for Attending the Training Program

The respondents were asked to state the reasons for attending the training program (Table 2). Majority of the respondents (42.85%) opined that every teacher needs to be trained and training is an important part of career development whereas only 14.30% of them said that it is only to fulfill the requirement of the department.

Training Methods and Usefulness to Job Relevance

The researcher made an attempt to analyze the perception of respondents with respect to usefulness to job relevance as against the training methods used in the training program. 57% respondents opined that the the content of practical relevance to job is useful, 3% felt not useful and remaining 40% felt useful to some extent. Group discussion as a method was found useful by 70% of the respondents, not useful (5%) and useful to some extent (25%). 64% respondents said that coaching is useful, 6% not useful and 30% useful to some extent. Role play was useful as opined by 55% of the respondents, not useful (5%) and useful to some extent useful (40%). The respondents response to case study as useful is 53, not useful 7% and useful to some extent 40%.

Programmed instruction is useful (69%) not useful (4%) and useful to some extent (27%) according to the trainees. Most of the respondents agreed that special project is useful (81%). Creating interest is useful (45%) not useful (5%) and useful to some extent (50%) as opined by the respondents. 64% of the respondents felt ICT assisted instruction is useful 6% felt not useful and 30% respondents felt it was useful to some extent.

Assessment of Training Quality

Quality has become an important word in the present world. An organization cannot exist without the word quality. It is more important in service industry. The meaning of quality differs from one industry to another industry. In general the quality in teacher training means pursuit of excellence, consistency, satisfaction of client needs. In this study, the researcher has made an attempt to assess the overall quality in teacher training program (See Table 4).

Quality level of training input for realizing learning objectives respondents opined as very good 40%, good 50% and average 10%. Handouts of resource persons given to trainees were rated as very good 29%, good 71%. Respondents opined adequacy of training room as good 60%, average 20%, and very poor 10%. Quality of accommodation-respondents viewed as average 50%, good 40% and poor 10%. At the end, over all opinion on training impact on the trainees of college teachers responded as very good 15%, good 60% and average 25%.

Findings and Suggestions

The analysis of data collected by the researcher revealed the following findings:

1. It is found from the study that, training is essential (76.19%) for the teachers of even higher education for continuous improvement of teaching skills and learning skills.
2. According to Table 4, the training program is found to be good and average with regards to: (a) meeting learning objectives (b) handouts of resource person etc., to make it more relevance to present job.
3. It was found from the study that, quality of accommodation is average (50%), where the things necessary for instance accommodation including boarding. This needs to be considered carefully.
4. The communication is not reaching (4.76%) the college teachers regarding training program even in the ICT era.

The researcher made sincere efforts to identify some areas, which need more attention in order to make the training program more effective.

Therefore, the following suggestions where made:

1. This type of training programs should be made compulsory for all teachers, particularly freshers.
2. Interaction between trainers and trainees should be more to make the training more useful.
3. Facilities in training room should be improved upon from average to good and good to very good.
4. Quality level of teacher training should be given some learning objectives, handouts of resource persons, professional trainers would help the trainees to be acquainted with skills. For this trainers with practical training competency are required, to make more impact and relevance.
5. More group discussions should be conducted to trace out inherent skills and talent in making teaching more effective and learner friendly.
6. Basics of computer knowledge should be made mandatory to make use of ICT as facilitating device to acquaint with technology.

Conclusion

Training is an activity that involves the development of teachers and uses it for the benefit of higher education. Before formulating a training program. The training department should identity the need for the same. After every training program it should be evaluated from different areas, deficiencies have to be identified and rectified. It can be summarized that training program for college teachers can be vital only when they contribute to the organizational excellence, and are carried out after a diagnosis of individual learners and organizational needs.

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Table 1. Responses on training needs and results achieved from the training

Content	Responses	
	Yes	No
a) College teachers need to be trained	76.19(32)	23.81(10)
b) Previous training experience	59.52(25)	40.48(17)
c) Pre-training information	95.24(40)	4.76(02)
d) satisfactory level of services/ facilities provided	71.43(30)	28.57(12)
e) Training programme improved teaching skills	80.95(34)	19.05(08)
f) Results achieved by college teachers and training needs	66.66(28)	33.34(14)

Table 2. Responses for attending the training program

Reasons	Responses	
	No	Percent (%)
a)To fulfill the department requirement	6	14.30
b)Every teacher needs to be trained	18	42.85
c)Training is crucial for career development	18	42.85
Total	42	100.00

Table 3. Training methods and their usefulness to job relevance

Methods	Responses (%)		
	Useful	Not useful	To some extent
a)Practical relevance to the job	57	3	40
b)Coaching	64	6	30
c)Role play	55	5	40
d)Group discussion	70	5	25
e)Case study	53	7	40
f)Programmed instruction	69	4	27
g)Special Projects	81	3	16
h)Creating interest	45	2	50
i)ICT assisted instruction	64	6	30

Table 4. Assessment of training quality

Methods	Responses (%)				
	Very	Poor	Average	Good	Very good
a)Meeting learning objectives			10	50	40
b)Handouts of resource persons				71	29
c)Adequacy of training room	10	10	20	60	
d)Quality of accommodation		10	50	40	
e)Overall Opinion on training impact			25	60	15

Role of Education in Women Empowerment with Reference to Udupi District

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Abstract

Women constitute almost half the human race. Education has been recognized as an essential agent of social change and development in any society of any country. Education is considered as a potent instrument through which process modernization and social change come to existence. Education exposes people to new thoughts and ideas and provides necessary skills. Hence to think of harmoniousdevelopment without educating women is impossibility. Moreover it has been rightly said that to educate a woman is to educate the whole family. Therefore, the emphasis with regard to women education should be to equip her multiple role as citizens, housewives, mother, contributor to family income, builders of new society and builder of the nation. Gender discrimination still persists in India and lot more needs to be done in the field of women's education in India. The gap in the male-female literacy rate is just a simple indicator. It is with a view to making an attempt to study Women empowerment with reference to Udupi district, this study was undertaken.

Introduction

Education is the key factor for women empowerment, prosperity, development and welfare. Discrimination of women from womb to tomb is well known. There is continued inequality and vulnerability of women in all sectors-Economic, Education, Social, Political, Health Care, Nutrition, Right and Legal etc. Women are oppressed in all spheres of life, they need to be empowered in all walks of life. In order to fight against the socially constructed gender biases, women have to swim against the system that requires more strength. Such strength comes from the process of empowerment which in turn will come from education.

Traditionally, women have been compelled to play the second fiddle in every sphere, be it in family or public life. Such is the order of things in India in spite of the fact that women nowadays are no less proficient than men in any field. Today, women are not what they used to be some years ago; they have now made their presence felt in every sphere of life.

Women constitute almost half the human race. Education has been recognized as an essential agent of social change and development in any society of any country. Education is considered as a potent instrument through which processes modernization and social change come to existence. Education exposes people to new thoughts and ideas and provides necessary skills. Hence to think harmonious development without educating women is impossibility. Moreover it has been rightly said that to educate a woman is to educate the whole family. Therefore, the emphasis with regard to women education should be to equip her multiple role as citizen, housewife, mother, contributor to family income, builder of new society and builder of the nation.

Conceptual Framework

The word "Empowerment" is one, which is widely used but seldom defined. It is an active, multi-dimensional process which encompasses several multi reinforcing components that begin with and are supported by economic independence. Power is the key word of the term empowerment. According to the International Encyclopedia (1999 p.33): Power means having the capacity and the means to direct one's life towards desired, social, political and economic goals or status. Power means control over material assets, intellectual resources and ideology. Webster's

New World Dictionary (1982) says the prefix "em" which attached to the noun "power" is generally used to form verbs meaning to make, make into etc. So the word "Empower" means to make or cause power.

Empowerment literally means becoming powerful. In that perspective the empowerment of women and the improvement of their status, particularly in respect of education, health and economic opportunities is highly important. Women need to be empowered in order to become strong and ready to take up new challenges for the building up of the family, society and the nation. In fact women empowerment is human empowerment itself. According to Sushama Shay (1998, p.56.) Women Empowerment is a process which helps women to change other women's consciousness through creating awareness. According to the Oxford Dictionary and Thesaurus, the word "Education" means bring up, civilized, cultivate, training, teaching, guidance, schooling etc.According to the Dictionary of Education the word "Education" means (i) It includes all the process that develop human ability and behavior. (ii) The aggregate of all the process by which a person develops abilities, attitudes and other forms of behavior, positive value in the society in which he or she lives.

Objectives of the Study

This study was undertaken with a view to make an attempt to study Women Empowerment with reference to Udupi district.

The specific objectives of the study are as under:

- To study the effect of education in women empowerment
- To know the number of Literates and literacy rates in India and Udupi district for a decade
- To understand the gender gap for a decade
- To study the work participation patterns in India and Udupi district;
- To understand the impact of education in the elected women representatives to Urban Local body of the area under study
- To suggest suitable measures for the empowerment of women

Need for Women Education

Women empowerment can only be achieved through the provision of adequate and functional education to the women folk. This is crucial because no matter how rich or vast a nation is, without an effective, efficient, adequate and functional education for all its citizens (men and women), education which is relevant to its immediate needs, goals and objectives, such a nation would find it difficult to stand on its own. The brand of education being advocated is that type of education which embeds the spirit of self-realization and all that is needed for the country's overall development like mass literacy, economic empowerment etc.

The need for women education is also informed by the fact that purposeful occupational achievement and satisfaction is ensured by deep self-awareness and understanding which can only be achieved through the provision of effective and functional education and guidance and counseling. This is likely to guarantee women empowerment with its root based on women struggle to improve their status. The empowerment suggested is such that it entails the process of challenging power relations and of gaining wider control over source of power. This however, cannot be achieved without the provision of reasonable access to formal and functional education to women. This is based on the premise that education has been adjudged to be a viable instrument of change in the positive direction. Provision of formal and functional education is needed for the women folk, because:

- It would empower them to know and ask for their rights to education, health, shelter, food clothing etc.
- It would empower them to fight against every form of discrimination against their folk, assert themselves about their right to equal treatment with their men as bonafide citizens of this nation
- It would enable the women to take decisions and accept responsibilities for taking such decisions

concerning themselves

- It would give economic power to the women and there by enable them to contribute their quota to the economic growth of the nation
- It would empower the women scientifically through exposure to science and technological education for the challenges of the present technological age and information computer technology break through unfolding worldwide
- It would help women to reduce maternal and infant mortality through improved nutrition, improved child rearing practice, health care and prevention against killer diseases
- It would avail women with the opportunity of participating keenly in the world of sophisticated politics and governance as enlightened citizens

Importance of Women Education

Napoleon was once asked, what the great need of France was. He answered, "Nation's progress is impossible without trained and educated mothers. If the women of my country are not educated, about half of the people will be ignorant." Taking this further, a woman has to play three roles in the course of her life. Each of these roles expects some duties from her. It is only with the help of education that she would be able to do them successfully. The first duty of a woman is to be a good daughter. The second duty is to be a good wife and third duty is to be a good mother. Education teaches a woman what she should be. It also teaches her how she should do it to be good daughter, a good wife and a good mother. Many men spend their evening time at clubs and societies. But a gentleman with an educated wife will not feel the need of a club or a society. He can share his thoughts with her. He can have her advice in trouble. He can spend his leisure in her pleasant company. An educated lady is a good friend, a clever nurse and a useful adviser to her husband. So she is a true help-mate. She can get her husband's affection and regard. An educated lady is always able to share her sorrows. There is a saying in English "The hand that rocks the cradle rules the world". The meaning is that the mother exercises a very great influence over the lives of her children. She is able to mould their thoughts and character. If she is educated, she will make such impression on the mind of her children that will enable them in the later life to grow into a great man. It is true that education will enable women to make their parents, husbands and children truly happy. Hence it is very necessary that women should be educated.

Women education in India plays a very important role in the overall development of the country. It not only helps in the development of half of the human resources, but in improving the quality of life at home and outside. Educated women not only tend to promote education of their girl child, but also can provide better guidance to all their children. Moreover educated women can also help in the reduction of infant mortality rate and growth of the population. Equality in social systems is a necessary condition for empowerment of women. However, it is not sufficient for their development for which education is important; development and empowerment are also not synonymous.

Gender discrimination still persists in India and lot more needs to be done in the field of women's education in India. The gap in the male-female literacy rate is just a simple indicator. While the male literary rate was more than 75% according to the 2001 Census, the female literacy rate was 53.7% and according to the 2011 Census, the male literacy rate is 80.9 while female literacy rate is 64.6 only.

Women Education in India

It is very important to know the historical background, if we are to make a study of status of women in India. It is not easy to find answers for questions like when did women start losing their status or who was responsible for this situation. The position that women occupied in the medieval and later the colonial period is of utmost importance. Women were never put on high pedestal in the Shastras.

The history of Indian women can be divided in to three periods i.e. Ancient, Medieval and Modern. The East

India Company established its rule over India since 1757, which is called modern period. During this period education of men was modernized and institutions were opened to promote this but nothing was done to promote women education.In 1858, the British government took upon itself the direct responsibility of the administration. But in spite of this, they did not pay any attention towards the education of women of this country. In 1904, Annie Besant established Central Hindu Girls School at Benaras for the promotion of women education.

After independence, India's national government introduced development of women education in India, i.e. Radhakrishnan Commission or University education Commission (1948) Smt. Durgabai Deshmukh committee (1959), Smt. Hansa Mehta Committee (1962), M. Bhaktvatsalam Committee to look into the causes of Public Support particularly in Rural Area for girls Education and to public Corporation, Kothari Commission (1964-64), Resolution on the National policy on education (1968), Report of the Committee on the status of women in India(1974), Challenge of Education (1985), National policy on Education(1986), Programme of Action(1986) etc. On the other hand, to develop the primary education and to achieve the aim of universalization of primary education upto age level 6-14 years, some schemes or programmes like, OBB, DPEP, SSA, NLM, National Programme of Nutritional Support of Primary Education (NPNSPE) or (Mid-Day Meals), RTE Act 2009 and Knowledge Commission etc. were introduced to achieve the national goal i.e. hundred percent literacy. Despite these government efforts to the education, still women are lagging behind than men. Women of India generally remained unlettered and uneducated. As a result of ignorance, women become victims of man dominated society.

Literature review

Average women in India were disempowered absolutely relative to men, and there had been little change in her empowerment over time. The authors viewed that there were several cogent and pressing reasons for evaluating, promoting and monitoring the level of women's empowerment in India, not the least of which was that household health and nutrition was generally in the hands of women and their empowerment was necessary for ensuring not just their own welfare, but the wellbeing of households. They also asserted that empowerment was critical for the very development of India, as it enhanced the quality and quantity of human resources available for development.(Sunita Kishor and Kamla Gupta, 2004).

The need of the hour to empower women folk is to provide necessary political education and proper orientation. (Dr. M. Pargunan, 2007) Empowerment has multiple and interdependent dimensions: economic, social, cultural and political. The political situation in the country has its inevitable reaction on its educational system. (Shiv Kumar Saini, 1980).

Analysis and Interpretation:

As per the data published by the 2011 census (Table 1) India has managed to achieve an effective literacy rate of 74.04 per cent in 2011. In the 2001 census the country's literacy rate stood at 64.8 percent. The most notable thing that came across in the 2011 census is the sharp rise in the literacy of females over males. According to the report released by the latest census there are almost 74 per cent literates that constitute the total population of India aged between seven and above. Some of the States and Union Territories like Mizoram, Tripura, Goa, Kerala, Pondicherry, Chandigarh, Lakshadweep, Daman and Diu, National Capital Territory of Delhi and the Andaman and Nicobar Islands, in the last one decade have done extremely well for themselves by attaining a literacy rate of almost 85. Census data for 2011 reveals that Karnataka state achieved a total literacy rate of 75.6 percent out of which 82.8% Male literates and 68.1% female literates.

Literacy Rate India: 2001, 2011

Table 2 shows the comparison of literacy rate in India for a decade. The figures in the table clearly demonstrate that there was a positive change of 8.2% in the literacy rate. Interesting to note that increase in the female literacy rate is double compared to rise in male literacy rate. So the indication is that society is slowly realizing the importance of women education. Since Literacy rate is the positive indicator to human development the magnitude of change in female literacy rate speaks volume about the women empowerment.

Gender Gap in Literacy Rate India - 2001, 2011

An attempt has made to compare prevailing gender gap in literacy rates (Table 3). Census data for last five decade clearly shows that there was a gradual increase in literacy rate of both male and female citizens. Gender gap in Literacy Rate is steadily declining in every census. In Census 2011, the gap stands at 16.3 points.

Number of Workers by Residents in India: 2011

Table 4 shows that of the total number of workers it has been found that number of workers in rural area is 348.6 million and in urban area it is 133.1 million. This is an indicator that for every 100 people, 42 people are working in rural area when compared to 36 people in urban area. The reason behind this is density of population.

Women Work Participation Rate

Table 5 shows the percentage change in work participation rate for a decade. For the economic empowerment of women work participation rate is a positive indicator but major concern is that despite of considerable increase in female literacy rate, female work participation rate stood at -0.1.

Work Participation Rate for Karnataka State and Udupi District (2011)

Census data for 2011 reveals that Karnataka state achieved a work participation rate of 65.55 percent in male and 34.45 percent in female(Table 6).One of the indicators of women's empowerment is increase in female work participation rates (Table 7). It is presumed that increase in literacy and attainment of higher level of education and skills by women leads to larger entry of women in employment at higher levels of productivity and earnings. Exact change in work participation rate for women is rather difficult to gauge because of frequent changes in the definition of 'worker' used in the Population Censuses – which give the most reliable and exhaustive country- wide data. The changes in the definition affect the count of workers in agriculture and unorganized industrial sectors where the large majority of women work.

As women constitute half of the population there can be no development in the country unless the needs and interest of women are fully taken into account. Women empowerment is an essential element in national development and it is proved looking at the parameters in the Table 7. The parameter showing the sex ratio for every thousand males clearly shows that the awareness in women has increased over the years because of women education. In order to compare the participation of women in political system, one of the parameters depicts that the percentage of women elected representatives in urban local bodies is higher than that of statutory requirement of 33.33%. This implies that if women are educated, they not only get empowered but also contribute to the progress of nation.

Findings

Nation Specific (India)

- Sharp rise in the literacy of females over males for a decade
- Society realized the importance of women education and hence there are more women literates in India
- Steady decline in gender gap in literacy rate
- Despite considerable increase in female literacy rate, there decline in female work participation rate

District specific (Udupi)

- Female literacy is above national average
- Work participation rate is below the national average
- Educated women tend to focus on non-agricultural sectors
- Increase of women participation in the elected representatives of urban local bodies

Conclusion

In the national context, with the sharp rise in the literacy rate of females over males in a decade and a steady decline in gender gap in literacy rate, the work participation rate is below the national average in Udupi District. This is a result of education where women have more choices in their hand and resulted in the attitudinal change to take decisions.Education has empowered women by making them more confident and vibrant in taking a decision about them and helps them to play a prominent role not only in their family but also in the society. They play the role of wife, mother and a leader in the society which is clearly indicated by the level of participations in the urban local bodies and panchayat raj institutions.

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Table 1. Number of literates India: 2001–11

(in Millions)

Sex	2001	2011	2011	Change
Persons	560.7	763.5	763.5	+202.8
Males	336.5	434.7	434.7	+98.2
Females	224.2	328.8	328.8	+104.6

Source: Census Data 2011

Table 2. Literacy Rate India: 2001, 2011

(in %)

Sex	2001	2011	Change
Persons	64.8	73	+8.2
Males	75.3	80.9	+5.6
Females	53.7	64.6	+10.9

Source: Census Data 2011

Table 3. Literacy Rate by Sex and Gender

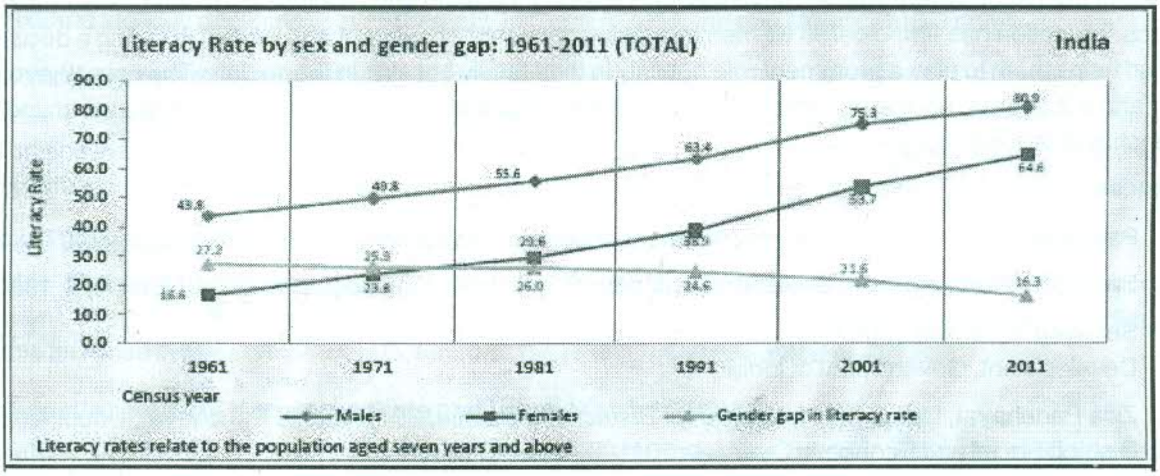

Table 4. Number of Workers by Residents in India: 2011

(in millions)

Residence	Number of Workers	Non workers	Work Participation Rate*
Total	481.7	728.8	39.8%
Rural	348.6	484.9	41.8%
Urban	133.1	243.9	35.3%

*Work Participation Rate is defined as the number of workers per 100 populations.

Table 5. Women Work Participation Rate

(in %)

Sex	2001	2011	Change
Persons	39.1	39.8	+0.7
Males	51.7	53.3	+1.6
Females	25.6	25.5	-0.1

Table 6.Work Participation rate for Karnataka State

Males	65.55 %
Females	34.45 %

Table 7. Indicators of Women Empowerment

Indicator	Kundapura	Udupi	Karkala	Udupi District
Share of female and male literacy (LITF, LITM)	F 69.19, M 79.83	F 78.62, M 85.04	F 75.88, M 82.57	F 74.88, M 82.85
Share of female and male Work Participation Rate (WPRF, WPRM)	F 33.14, M 66.86	F 33.07, M 66.93	F 40.67, M 59.33	F 34.65, M 65.35
Share of female and male workers in the non-agricultural sector (NAGF, NAGM)	F 23.32, M.76.68	F.29.28, M.70.72	F.40.82, M. 59.18	F.30.09, M.69.91
Female and male Agricultural wage rate(WAGEF, WAGEM)	Wf. 180, Wm. 20	Wf.200, Wm. 250	Wf.180, Wm. 200	Wf. 180, Wm. 200
Sex ratio (FOR EVERY 1000 Males)	1124	1077	1086	1094
Percentage of women elected representatives in urban local bodies	39.13	38.78	39.13	38.95

Quotient at Work: Work Life Balance

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Abstract

Work and family life has been an issue of growing importance and the reconciliation of these are considered critical because of the overload of work and the imbalance of the two. Work-life balance can be explained as an individual's ability to meet their work and family commitments in a balanced way. Greenhaus (2002) defined work –life balance as satisfaction and good functioning at work and at home with a minimum of role conflict. Overwork creates ill health, both physically and mentally. Creation of more flexibility in working hours has reduced family pressures. Studies have shown that quality of work in the office is directly related to less stress in the family life. So a conducive environment is also essential for a better work in the work place. This study tries to find out the issues related to work and family and also tries to understand the factors that are important to define the quotient for work life balance.

Key words: family, work, balance, time, conflict, women, men

Introduction

An important challenge faced by most people who are working is to manage the demands of both work and personal life. This has increased the focus on the workplace policies so that the work and personal life can be balanced properly. In the recent past significant changes have happened in the nature of work, work timing, entry of more women folk into work and change in the composition of family unit. These changes have resulted in the growing importance of the concept of worklife balance. However specific parameters that can make a proper balance between life and work are yet to be explained satisfactorily. Many researchers have tried to define worklife balance in different ways according to the area chosen and based on the demand and availability of people either at home or in the office. The balance is not about equal amount of time spent at different places but the way in which responsibilities are fulfilled without creating conflict either at the work side or at the personal side. Figure 1 depicts the model for the collision between work and life.

Some of the aspects that bring about conflict with work and family are portrayed in Figure 2. The work related issues are mainly overloaded assignment and career progressions. Related to family issues some of the factors that affect are future of the children and the variations in the role of male and female members in the house hold activities. Work or career issues can be the overload and the confusion towards career advancement. The changing roles for men and women have complicated the management of work/personal life balance in recent decades.

Time Factor

Duration of working time continues to be the key temporal concern for both male and female workers. Working time is an important issue where the number of holidays, working hours, break timings, reporting time etc. make the job flexible or rigid. The amount of time worker has to spend at the work place and the work carried back home can evaluate the extent of balance between work and family. Thus working time is a core issue within employment relations. Reductions in working time, incorporating campaigns for a shorter working day and the elimination of compulsory (and often unpaid) overtime, represented a crucial early focus for trade union organization in countries such as Australia, the UK and the US (Burgess, 1975; Owen, 1979; Roedinger and Foner, 1989). Working hours in some countries (particularly recent industrializing economies) remain substantially higher than in their earlier developed counterparts (ILO, 2004: 748; OECD, 2005:255).

Working hours have become one of the main problems when women participation in labor markets increased and the imbalance set in the families. Some individuals find the balancing of work and non-work life very difficult. Hence, just as the employers' agenda over working time has broadened, so too for employees, have working time issues expanded to incorporate not only questions of duration but also the degree of control and choice they enjoy over their working time pattern, and the scope this provides to mesh successfully their lives inside and outside the workplace (Paul Blyton& Nicolas Bacon & Jack Fiorito & Edmund Heery 2008). In France, reductions have also resulted from political intervention and the controversial introduction of a statutory 35-hour week in 2000 (Bouffartigue and Bouteiller, 2001; Freyssinet, 1998) as a work-sharing attempt to safeguard and create employment. Elsewhere, the existence of long working hours is a feature of employment noted particularly in Australia, Canada and the US, with many reports suggesting a growing rather than diminishing prevalence of long work hours (Barrett et al., 2005:142; Bittman and Rice, 2001; Campbell, 2002; Duxbury and Higgins, 2006; Schor, 1991). In the UK, the widespread incidence of long working hours has become a focus of union concern over work hours, and in particular the amount of work performed as unpaid overtime (Heery, 2006: 44)

Reviewing over twenty health studies for example, Sparks et al. (1997: 401) highlight a 'small but significant' association between hours of work and various health symptoms including, among other things, greater sleep disturbance, and heightened levels of tension, stress and fatigue (Iskra-Golec et al., 1996). Long working hours and related shift patterns has affected the health of the workers. Health consciousness protects the individuals from the deterioration of health and the realization that they should not sacrifice their self-care. Daily, adults trade exercise for early meetings, grab fast food to eat at their desks in order to keep working, skip hours of sleep to prepare reports, eat at home late in the night when their families have gone to bed, cancel doctor appointments in lieu of missing work deadlines, and suffer from headaches and back pain in the absence of stress management (Mary Zeiss Stange & Carol K. Oyster & Jane E. Sloan, 2011).

In terms of weekend working, for example, a comparison of 16 countries in Europe and North America reported an average of around one-in-five workers usually working on Saturdays and a smaller proportion (approximately between one-in-six and one-in-ten) working on Sundays (Presser and Gornick, 2005). One means of implementing a broader definition of standard hours, as well as increasing employers' flexibility over the deployment of those hours, has been through the introduction of 'annualized hours' contracts which specify agreed annual, rather than weekly, hours of work (Arrowsmith and Sisson, 2000). Companies have adopted different working hours to suit the comfortableness of the worker.

Even improved financial stability within the family due to the growth of female employment has not brought a proper solution to the domestic obligation. Though in many families the male members have put aside some of their time to share child-care and other household chores it is found that the balance of work and life is not seen to be equal. Nevertheless, although participation in work and family roles can be beneficial, it is generally acknowledged that there is a point beyond which such commitments can become 'burdensome' and 'stressful' (Ruderman et al. 2002: 73).

Working Hours Conflicting Work-Life balance

When working hours are more and not adjustable employees experience work to family conflict. Certainly the evidence indicates that dual earner couples and individuals with caring responsibilities, such as young children, large families and dependent elders, are more likely to experience work-family/life conflict (Roehling et al., 2003; Eby et al., 2005). It is also plausible that disparities in work and family role pressures might lead to gender differences in perceptions of work-family/life conflict. In some studies women report more work to family conflict than men, particularly when working longer hours (c.f. Gutek et al., 1991; Batt and Valcour, 2003). Generally, studies suggest that greater levels of work-family conflict are associated with stress at work and increased burnout (Allen et al., 2000). Work-to-family conflict also appears to promote lower levels of life satisfaction, as well as physical and mental health complaints, including fatigue, nervous tension and depression (Allen et al., 2002: 293).

Work-family conflict has serious organizational consequences. There is also a tendency for individuals experiencing work to family conflict to display less organizational commitment and higher turnover (Allenet al., 2000). Similarly, employees who report higher levels of family to work conflict are more likely to be absent from work (Anderson et al., 2002). Still it is found that these do not encourage employees to take shorter work schedules due to financial commitment. Employees may only be inclined to seek shorter work schedules when they are well off financially (Reynolds, 2003).The 2006 Work-Life Balance Employee Survey (Hooker et al., 2007) shows that the practices most commonly taken up by employees were flexi time (49 per cent), working from home (44per cent) and part-time work (38 per cent), although there had been little change in the overall proportions of employees working flexibly.

Career Advancement

It is found that family-friendly provisions which are offered by the companies are not considered as benefits given to them by majority of the employees. They doubt that such benefits may hinder their career advancement if they availed these family friendly provisions. Another reason for the low utilization rates of family friendly programs is what Hochschild (1997) terms the impermeable "clay layer" of middle management. Her investigation of a Fortune 500 company indicated that while most employees perceived considerable support for work-life policies from senior management, they were far more skeptical of the stance of middle management. As Hochschild (1997: 32) rightly notes, much depends on whether middle managers view work-life policies as either an employee' privilege' or 'right'. Work-family/life programs may therefore be underutilized because managers are reluctant to allow their employees to participate or apply the policies inconsistently.

As Grover and Crooker (1995: 285) state, even the most family friendly workplace policies are at best useless, or worse, counterproductive, if the work climate does not support them. Not surprisingly, supportive work-family cultures, defined as the extent to which an organization supports and values the integration of employees 'work and family lives', are associated with greater utilization rates of work-family benefits (Thompson et al., 1999).

People's interpersonal relationships within workplaces also affect the ability of employees to manage their work and family demands. Social support from managers and co-workers appear to reduce the likelihood of employees experiencing work-family conflict, as do mentoring relationships (Anderson et al., 2002; Nielson et al., 2001).

According to Glass and Riley (1998:1427) organizations that want to minimize turnover among childbearing women need to attend to the interpersonal treatment of these workers, communicating their value to the workplace and making reasonable accommodations to the temporary disabilities of pregnancy. Not surprisingly, the traditional focus of work-life policies has been on employees with children or other care giving responsibilities. Hence, employees without family responsibilities can feel 'excluded' and thus inequitably treated. This can often occur as a consequence of the informal actions of managers, notably in the allocation of tasks and workloads. Nord et al. (2002) document, for instance, states that employees with children were able to choose their flexible schedules first, forcing single/nonparent employees to work around those schedules. Inevitably this often meant that employees without children were scheduled to work the later shifts, regardless of their own activities beyond the call of duty.

The 2006 British Work-Life Balance Survey asked employees whose co-workers had worked on one or more flexible arrangements if they faced any negative consequences because of their co-workers' arrangements (Hooker et al. 2007: 82, 192). Around one third of respondents reported negative consequences, with 15 per cent citing work-related outcomes, such as having to cover colleague's workload, increased workload, staff shortage etc. Communication problems, such as colleagues not being available for meetings and lack of interaction, were perceived to be the most negative effect of colleagues working from home. Another research suggests that male employees and parents of older children are most likely to view work-family policies unfavorably, primarily because such programs are less relevant to their needs (Parker and Allen, 2001). Firstly, formal procedures governing the allocation of work assignments may be required to ensure that all employees are equitably treated, and in particular to inhibit employees without children being overloaded. Secondly, alternative work arrangements, such as flexi time and telecommuting, are likely to warrant changes in training, performance evaluation and compensation systems so that employees are appropriately developed and recognized for their organizational inputs. According to Nord et al. (2002: 236) it is important that organizations overcome tendencies to underutilize telecommuters or devalue the contributions or commitment of flextime employees. Thirdly, career development and promotion systems may need to be reformulated in accordance with the goals of worklife programs, especially if employees take leave for personal development or family care, and are deployed on work assignments that are less demanding in terms of travel and client contact.

Future prospects of Children

Evidence has shown that working long hours, or being at work outside standard hours, can have a negative effect on family life, as parents have less time available to spend with their children or, in attempting to create time for children, miss out on time spent as a couple (La Valle *et al.*, 2002). Given the suggestion that the length, frequency and nature of parental interactions can have a significant impact on children's cognitive and behavioral development (Lefebvre and Merrigan, 1998; Zick*et al.*, 2001), this can be seen as a matter of particular urgency. And indeed, much of the legislation associated with New Labor's work-life balance agenda has focused specifically on families, including the right, introduced in 2003, for parents of children aged under six and disabled children under 18 to request flexible working hours from their employers.

A large number of empirical studies have yielded conflicting evidences regarding the impact of maternal employment on their children. Household duties such as house work and child-care-related obligations are factors that can create time-based pressure from the family realm (Baltes & Heydens-Gahir, 2003; Frone et al., 1992a). The contributions of mothers in shaping the personality of their children cannot be ignored (Suneetha Hangal, Vijayalaxmi A. Aminabhavi 2007). The disadvantage starts in primary school and persists into early adulthood, with lower educational attainment, higher unemployment and greater likelihood of childbearing early in life (John Carvel 2003). Nanda and Monochas (1971) revealed that employment of mothers had negative influence on their children and they become less cooperative, less sympathetic and exhibited indifferent social behavior. It needs to be mentioned here that time spent on playing with children might have some impact on the development or overall well-being of children. (Sivakami Muthusamy 2006).

Marital and parental conflict can lead to interference with work roles (Byron, 2005). Those without children, time and stress at work may be less likely to cause dissatisfaction with other domains because there is less of a need to perform in those other domain. Greenhaus and Beutell (1985) cited several sources (Pleck, Staines& Lang, 1980) indicating that individuals who are married and /or have children are more likely to experience conflict. A study of dual-career marriages, Perrone and Worthington (2001) found that combined income and social support were positively related to satisfaction with a dual-career lifestyle, which in turn was related to marital quality. Work-family facilitation, according to Frone (2003), is the extent to which participation at work (or home) is made easier by virtue of the experiences, skills and opportunities gained or developed at home (or work). The connection of children with their mothers at a young age will allow a close bond. This will make the communication between parent and child easier especially during the middle school and higher education. Early formal childcare can have a positive effect for children experiencing significant disadvantage whose parents are stressed or have poor parenting skills. But it may have more negative than positive effects for children from more advantageous backgrounds (Ruhm, 2000; Hill et al., 2005; and Gregg et al., 2005) whose parents are able to provide a safe and nurturing environment.

Evidence based on longitudinal data from the United Kingdom and the United States generally suggests that full-time maternal employment during the first year of a child's life is associated with poorer child outcomes, especially poorer cognitive outcomes (Brooks-Gunn et al., 2002; Ermisch and Francesconi, 2000; Gregg et al., 2005; and, Joshi et al., 2009). as Compared with mothers who do not work (including "on leave") those in part-time employment, early (within 6 months) maternal employment on a full-time basis is negatively associated with breast feeding rates and duration (Hawkins et al., 2007; Cooklin et al., 2008).In addition, longer periods of breastfeeding are more likely among women whose employers offer family-friendly or flexible work arrangements including part-time work (Hawkins et al., 2007). Breast feeding has multiple benefits for the healthy development of young children, in terms of nutritional benefits and protection against diseases, also after controlling for environmental factors that could be confounding this association (Quigley et al., 2007; Ladomenou et al., 2010; and, Liesbeth et al., 2010). However, a review of the role of breast feeding in promoting mother-child attachment is inconclusive (Jansen et al., 2008).

Available evidence shows that fathers want to spend time caring for and being with their children as in many countries an overwhelming proportion of fathers take time off work around childbirth (Moss, 2011 and O'Brien et al., 2007). Father involvement, in turn, is associated with numerous benefits, including better outcomes for children (Baxter and Smart, 2011; Cabrera et al., 2007; Lamb, 2010; OECD, 2012a; Sarkadi et al., 2008; and, WHO, 2007) and for fathers themselves (Baxter and Smart, 2011; Eggebben, 2001; Smith, 2011; and, WHO, 2007). Father's involvement was associated with some positive cognitive outcomes. The clearest and strongest association was observed in the United Kingdom, where children with highly involved fathers were faring better in terms of cognitive outcomes than children with less involved fathers Huerta, M.et al. (2013). Many OECD countries have introduced family-friendly policies to help parents find their preferred balance between parenting and employment. Moreover, in recent years, there has been increasing interest in developing policies to support fathers in contributing more to caring for young children. The underlying objectives behind these policies may differ across countries, but, in general, they aim to increase gender equality at home and at the workplace as well as to strengthen father-child relationships and thus improve child well-being outcomes (Rostgaard, 2002).

Role Change in the family structure

Fathers of the twenty-first century are more involved in children's lives than before (Gauthier et al., 2004; Hook, 2006; Maume, 2010; O'Brienet al., 2007; and, United Nations, 2011). Although the timing and pace of change varies widely across countries, a change in the role of fathers is observed worldwide (O'Brien et al., 2007). Men are no longer expected to be exclusive breadwinners but are frequently expected to share the caring responsibilities with their partners. However, despite important progress, women still are the main caregivers. This is true even in the Scandinavian countries, who are the pioneers in supporting gender equality in the division of work inside and outside the household (Rostgaard, 2002).

Numerous factors have contributed to men's increased participation in housework and care activities, including: growing female employment; increased family diversity; changes in attitudes towards work and care; and, availability of family-friendly policies. O'Brien and Moss (2010) and Maume (2011) argue that the main determinant has been women's increased participation in paid work and their contribution to households' earnings. Today in most OECD countries the majority of couple families are dual earners (OECD, 2011). Thus, both mothers and fathers have had to find a new balance between work and family responsibilities. For instance, fathers who spend more time with their children have, on an average, more favorable labor market outcomes, earn more per hour and work fewer hours per week – than their peers who spend less time with their children (Smith, 2011); fathers who contribute more to housework and childcare experience a lower risk of divorce than fathers who contribute less (Sigle-Rushton, 2010); and, fathers who are more engaged with their children are more satisfied with their lives than their counterparts who engage less (Eggebeen, 2001).

Work life balance quotient

Understanding the career issues and family issues it is clear that a favorable situation within the work place is essential for the organization and for the individual. Moreover, long work hours not only lead to work to family conflict but are also indirectly associated with increased depression and other stress-related health problems (Major et al., 2002). It is found that lack of adjustment of time is creating major troubles for the employees who are working in the company where balancing act of work and family life is collapsing. The term work-life balance is mostly interpreted as the compatibility and harmony of private life and the working life (Tucholka and Weese, 2007). So, generally it is considered as the balance between the issues at work and family.

Time is an important factor between overwork and worklife balance. The way in which the work is managed and is adjusted with the family is critical for balancing work and family. There is a widely held view that the time demands and pressures of paid employment have escalated, with serious negative consequences for employees' family and social lives (Bunting, 2004). Long work hours also raise concerns regarding the impact on workers' health and safety. Contributing factor to growing work time diversity has been the spread of different patterns of part-time hours, including very short (eight hours per week or less) part-time schedules (Noon and Blyton, 2007: 102–3).

Furthermore, employees who perceive a supportive work-family culture report lower levels of work to family conflict and greater attachment to their organizations (Thompson et al., 1999: 409). Hence, a family-friendly work climate, as well as supportive managers and co-workers, positively influence people's decisions to utilize work-life programs, as well as their general work attitudes and behavior. Although US evidence (Berg et al., 2003; Osterman, 1995) suggests that high commitment management practices enhance both the availability of work-family benefits and people's perceptions of their work-life balance. People with high levels of work -family conflict tend to be less satisfied with their careers (Martins et al., 2002) and jobs in general (Allen et al., 2000).

From the studies conducted by researchers it is clear that time management is a crucial factor and how it is managed at work and family is in the hands of the employee. Another factor for effective worklife balance is a conducive work climate. Hence work life balance quotient is the division of time factor with the supportive work-family culture.

$$\text{WLB Quotient} = \frac{\text{Time Factor}}{\text{Work Climate}}$$

$$\text{Therefore,} \quad \text{WLBQ} = \frac{\text{TF}}{\text{WC}}$$

Acceptance of this quotient can be strengthened by conducting a study empirically. This can be considered in the next level of research related to this topic.

Conclusion

Today work life balance has become a very critical issue in business as the performance of employees is considered an important parameter to evaluate an individual. Work life balance is looked upon by an individual as a serious component before joining an organization similar to other factors like high income, job security, autonomy etc. Calculating the time required to complete an assignment and work climate factors will help to calculate the quotient of balance of work and life. Here weightage can be given to different components as explained in Figure 3. Thus work life balance quotient of a company can be calculated. Based on this, each company can be distinguished as good or bad, based on worklife balance. So a company planning to attract and retain their employees can improve the work life balance quotient for improving the quality of life at work and home.

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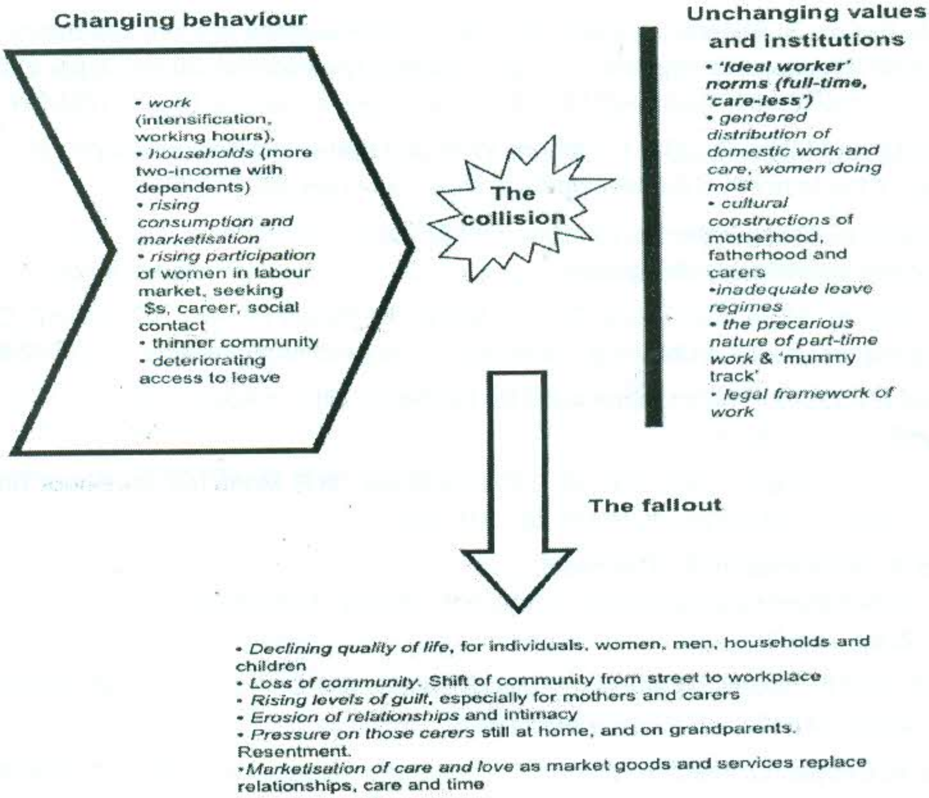
Figure 1. Collision between work and life



Source: Pocock 2003

Figure 2. Different issues that create conflict and worklife balance quotient.

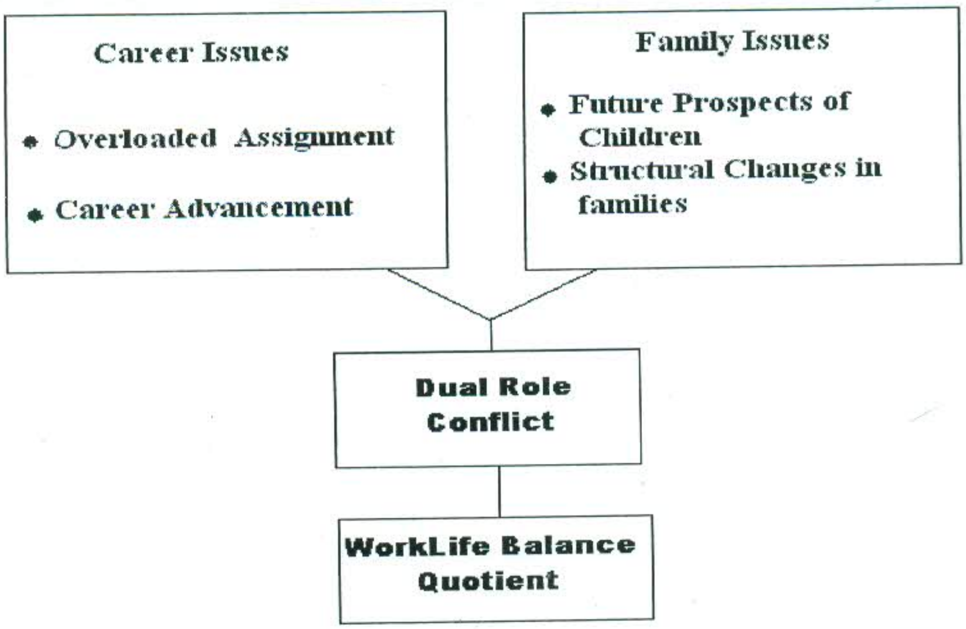
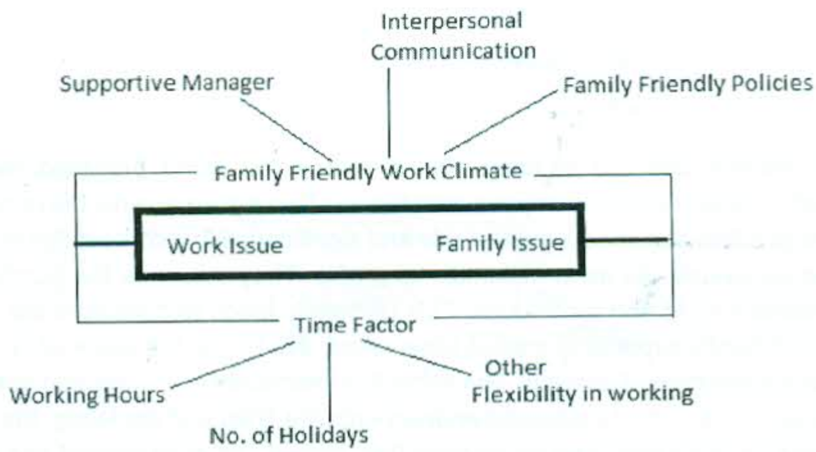


Fig. 3: Important factors to define Work Life Quotient



Some Observations on Marketing Strategies in the Context of Globalization

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Abstract

The Economic reforms ushered in early 1990's across the world triggered the current expanded developmental path which is essentially consumption oriented. In effect it goes against the principle of sustainability. The marketing strategies of a firm assumed a greater role and significance in a competitive economy to create and expand the market base continually so as to maximize its profits. They influence the purchase decisions of the consumers through its various tools and techniques. This ultimately leads to consumerism or consumption on a scale that supports the constantly expanding market base. And, this brings the issue of sustainability of various resource endowments to the forefront of analysis. The extraction-production-consumption streams pose many and varied forms of environmental hazards. As resource endowments are finite and depleting, the marketing strategies of enhancing consumption for short term gain by ignoring their impacts on environment has become increasingly questionable. The marketing strategies of the corporate can only be sustainable if they are adequately complemented by appropriate environmental protection measures and resource exploration strategies on a scale that mitigate the immediate dangers of depletion. The paper therefore tries to make a few critical observations on various facets of marketing strategies in a competitive economy. The paper also advocates the need to integrate the sustainability aspects with the formulation of marketing strategies to ensure firm's long-term survival.

Key words: Marketing Strategies; Economic Reform; Resource Exploration; Environmental Sustainability; Purchase decision; Consumer absorption capacity; Process and Product innovations; Compatible and Sustainable globalization.

Introduction

The recent developments in the global economy resulting mainly from the economic reforms of the 1990's reveals that they are tending to go against the principle of sustainability. This is the reason why globalization is being increasingly questioned by several scholars (Joseph E Stieglitz, 2003, Greg Buchman, 2004, Paul Streeten, 2001). Globalization is nothing but corporatization or the transnational business whose spread is so much beyond the sustainable levels of various resource endowments. Free trade or the competitive market economy has been accepted as the primary economic policy across the world. Free trade is the basic tenet of the transnational business. This is based upon the principle of comparative cost advantage according to which all countries in the world will be specializing in those products in which they are more efficient. In ultimate analysis, the overall costs of products in the global market will go down and consequently the prices. As a result, consumption levels will increase and the global welfare will also be enhanced. This is the essence of the current global developmental path. Obviously, this is consumption-oriented. In this model, consumption is equated with welfare. At the outset, it may be noted that consumption does more harm than non-consumption. It does more harm than good to society.

The fundamentals of a competitive market economy depend mainly among other things, on efficiency and innovation (of course knowledge) and the volume of consumption on a scale that supports the continually expanding markets. This implies that the consumption or for that matter consumerism on a scale that is seen today, is the fundamental base for the market economy. The very base itself seems to be on shaky grounds because of the inevitable faster rates of depletion (Dr. N. Naganna and Savitha Rani, 2006) and the impending dangers of environmental degradation including global warming. This is the reason why the issue of sustainability is being brought to the forefront of analysis.

The primary objective of this paper is to make globalization/transnational business compatible with sustainability and environment.

Economic Reforms, Marketing and Environment

Transnational business is one of the major logical consequences of the economic reforms with far reaching consequences across all the sectors of the global economy. Corporates or transnational businesses are now considered to be the engine of growth.

To overcome the perennial problems of poverty, unemployment etc and to achieve the faster rates of growth, the economic reforms were introduced in India and other countries. This was further induced and necessitated by the collapse of the socialistic block (USSR etc) and the failures of socialism to achieve the intended objectives. Economic reforms were introduced in the 1990's as a package of interrelated measures, popularly known as LPG (Liberalization, Privatization and Globalization). As a matter of fact, the whole package was directed towards globalization or transnational business. In the ultimate analysis globalization means free trade with competitive markets implying thereby the free flow of goods, services and capital across the countries with no trade barriers of whatsoever kind. This requires competitive markets. Consequently, economic reforms replaced stateism by marketism or in other words, state dominance by market dominance in all the decision-making processes. Thus, state monopoly was replaced by competitive market forces mainly to facilitate the transnational business. This scheme of macro economic arrangement is supposed to achieve faster rates of development at the least cost points through the principle of comparative cost advantage, leading to lower costs and consequently lower prices. In effect, this would enable a larger volume of consumption with a bigger consumption basket for a larger number of people and there by maximizing global welfare. This is the essence of economic reforms and the transnational business. On the whole the present developmental path as explained is essentially consumption driven or consumption centric. The recent bailout plans or stimulus packages as announced in various countries to combat the global recession/meltdown give ample credence to this fact. In other words, it assumes a highly positive correlation between consumption and welfare. That means, the more we consume the better off we are. This again is the essence of consumption.

In this model of development there is nothing but production and consumption. It should be noted that this is purely a physical phenomenon and therefore it should be guided by and should adhere to the physical laws and constraints. Accordingly the developmental analysis needs to take into account this physical constraint. Both production and consumption streams create unsurmountable problems in extraction and waste generation leading to environmental degradation in various forms. For instance production requires extraction, which is characterized by many adverse environmental impacts and higher rates of depletion besides generating a number of residuals at the factory sites and the mine heads. On the other hand, consumption is said to be a misnomer. In fact we don't consume anything. We only use the utility component in a product over its lifespan and thereafter, we discard it and throw it to the open environment. Thus, production means waste generation. To put in simple terms, it can be said that "**Today's production is tomorrow's waste**".

In this overall context, the environment should not be considered as a bottomless-sink to receive, absorb and assimilate all kinds of wastes/residuals generated by the extraction-production-consumption streams. It has its own limitations. If the extent of waste generation from the above said streams is more than the environmental capacity to receive, then the result will be the awful environmental degradation and pollution. The latest trends indicate that the environmental capacity is stressed too far to cope with the ever-expanding activities of the corporates and the transnational business. This is the reason why there is the mounting pressure from the environmental groups on the corporates to check their activities.

Marketing strategies have a definite role to play in the present developmental model as described above.

Needless to emphasize its role as creating awareness of

products and creating or expanding the markets. It is widely known that "Efficiency and Innovation" are the basic tenets of competition which is the base for free trade. That being the case, the marketing strategies need to take the outcomes of "Efficiency and Innovation" through R&D investments to the end users on a larger scale. This means that they need to enhance the diffusion rates on a wider scale. This implies the commercialization of R&D outcomes in terms of a new product developments, new processes, new technology and better management practices and so on. In this case the marketing strategies have a definite positive role in commercializing the R&D efforts on a wider scale, which will ultimately lead to the overall growth of efficiency and productivity to reduce the costs, and the material and energy intensities of the products. This is perhaps the only way to maximize the gains and benefits from the free trade. The new and better products from improved technology can be taken to wider markets through marketing efforts. On the other hand, if marketing strategies through its tools and techniques such as branding, advertisements, promotion campaigns etc., promote and encourage consumerism and conspicuous consumption on a larger scale then they will be harmful to environment in more than one way. Such strategies ultimately lead to the higher rates of extraction of non-renewable resources, threatening levels of environmental degradation, pollution and the frightening global warming. Most of these adverse environmental impacts are irreversible and irreparable. As a matter of fact they jeopardize the economic interest of our posterity in several ways besides depriving them of fertile resource base. This is precisely the reason why we said earlier that unbridled **consumption does more harm than good.** In recent years there is a growing concern that the social benefits of Extraction-Production-Consumption streams may not outweigh the social costs in terms of environmental degradation, depletion, global warming and so on. Considering the various adverse impacts on environment and conservation, we are inclined to advocate that non-consumption or abstinence seems to be better than consumption in the present context.

To a large extent the problem of depletion and the likely shortages of resources supplies can be tackled through undertaking the large-scale exploration of virgin areas in the globe. It will bring the new and hither to unknown reserves for exploitation to make production sustainable. This would enlarge the known resource base and enable us to overcome the likely shortages of resource supplies in future. In other words exploration would ensure sustainability for a long term. So to say, the higher rates of growth arising out of globalization and transnational business can be made compatible with sustainability only through large scale exploration programs. In the same vein, substitution of scarce resources by plentiful ones can also be undertaken through S&T (Science and Technology) / R&D (Research and Development). Both exploration and substitution together would ensure sustainability (Dr. N. Naganna, 2001).

On the whole our analysis though very brief and incomplete, aims to bring out the various intricacies involved in the extraction-production-consumption streams. The marketing strategies being what they are, need to take care of all the above aspects in detail, instead of focusing on the conventional market share, market expansion and profitability.

Economic reforms aiming to achieve faster rates of growth in the global economy can only be successful, fruitful and beneficial if they are complemented adequately by the environmental protection measures and the exploration strategies. Otherwise they tend to make the dooms day a reality. (Dr. N. Naganna, 2000)

Transnational Business and the Trends in Corporatization

The transnational business and the corporatization can be treated as synomous for all practical purposes. Because, corporate carry out the transnational business operations. In one important sense, globalization is nothing but corporatization. They are said to be the engines of growth and development. Since the power and influence of the state is declining rapidly in recent years due to economic reforms, the corporates are simultaneously becoming more and more powerful in all the respects. Their sociological impacts are many and varied. Their role is more powerful than a nation state. The following quotation will explain the all-pervading influence of the corporate sector in the society.

"Over the last 150 years, the corporation has risen from relative obscurity to become the world's dominant economic institution. Today, corporations govern over lives. They determine what we eat, what we watch, what we wear, where we work and what we do. We are inescapably surrounded by their culture, iconography, and ideology. And, like the church and the monarchy in other times, they posture as infallible and omnipotent, glorifying themselves in imposing buildings and elaborate displays. Increasingly, corporations dictate the decisions of their supposed overseers in government and control domains of society once firmly embedded within the public sphere. The corporation's dramatic rise to dominance is one of the remarkable events of modern history..." (Joel Bakan, 2004)3

The above passage explains broadly the ethics and economics of corporatization. It is true that there are a number of ethical issues involved in these phenomena. This aside, consumption is the driving force for corporatization through various media channels and marketing strategies. The corporates create continually new wants and desires in society to promote consumerism and thereby sustain their growth and profits. At present, they are not showing any significant concern on environment and sustainability despite their populist CSR policy. The CSR is mainly used to promote their image and brand. This is the reason why there is a growing opposition to the expanding trends in corporatization. This opposition is weakened by continuing poverty, unemployment and so on. Because, several developing countries need their massive investments and technology to solve their economic problems. Their weakness became the strength for the corporates.

The growing urge of the nation states to raise their rates of development to eradicate poverty and to create more employment generation and to increase the general welfare and quality of human life etc. are pushing the corporatization trends to unprecedented scale. Since they are the instruments of development, almost all the countries are extending all the facilities and incentives for the smooth entry of MNCs into their respective countries to install new production facilities besides their own domestic corporates. The corporatization trends are further encouraged by the economic reforms, revolutions in S&T, IT, transport and communication and so on. (Peter Dicken, 2004). **In effect, corporatization has become an inevitable outcome of reforms and globalization.** And there is nothing that can resist this trend.

In what follows is a brief presentation on the increasing levels of corporatization to substantiate the case in point. (World Resources: 2002-2004)

→ Today, more than 65,000 corporations are transnational in the sense that they do business and control assets in more than one country.

→ Together these companies control some 8, 50,000 affiliates or subsidiary companies spread over several countries.

→ Between the years 1990 and 2000, the sales of the largest one hundred TNCs increased from $ 3.2 trillion to 4.8 trillion (50% rise).

→ TNCs are also significant local employers. For instance, foreign employment by TNCs (i.e., people employed outside of a corporation's home country) grew substantially from 24 million in 1990 to 54 million by 2001. This is a sizeable rise (125%)

→ Their investments are also very large exhibiting their **economic power.** The value of cross border mergers and acquisitions (a transaction in which a foreign corporation acquires more than 10% stake in the existing domestic enterprise) skyrocketed from $ 94 billion to $ 866 billion between 1996 and 2000 (9 times).

→ By their charitable activities in the name of the so-called CSR, the corporates are encroaching upon the state's jurisdiction to reduce its role and its arena of operations. Another disturbingissue is that the private participation/corporatization is increasing in the exploitation of natural resources (timber, mining etc.) for producing raw materials for production. Besides they are also allowed to own and manage projects in energy, telecom, infrastructure sectors etc. to facilitate production. This is how corporates gain access to resource base and production through their technology and subsequently, **control people through media and markets**. In one word, the destiny of the society is placed in their hands. In effect, the government and the civil society are not able to hold them (corporate) accountable for compliance with the environmental standards and acceptable customer service.

→ In this context the above report (2002 -2004) of the World Resource Institute

observes

"The corporate influence on government's policies is also a concern. Critics warn that the corporate are using their economic muscle and close government connections to coax decision-makers to favor corporate interests over other stakeholders. In the U.S., for instance, Energy, Mining and waste management industries contributed $ 29.7 million to political campaigns in 1999 – 2000 and spent another $ 159 million on direct lobbying activities in 2000"

This is how the corporates turn everything in their favor without any concern on the "means" adopted. Their nefarious activities are widely known to the public, particularly to the agitating public. Some are known and noticed, some are not. This emphasizes the need for ethics in their decision-making. They do, as we said earlier achieve growth without showing any concern for ethics. In their over enthusiasm for profits and growth, the corporates generally ignore the vital social issues. The decisions that govern production, trade and investment often pay **little or no attention to the protection of environment and the human needs**. This aside, the corporates spread the unwanted and unbridled consumerism in society for their own growth, which is catastrophic in the long-run. Without consumerism, the corporatization just collapses. The growth that is given and falsely promised by the corporates is solely based on the continually depleting resource-base. This being the case, it is not difficult to argue that the fundamentals of globalization and subsequent corporatization are flimsy and weak because the more of them will make the issue of sustainability more critical.

However, the major sources of power and influence of corporates over the governments, people and the markets are mainly derived from:

→ R & D

→ Technology

→ Innovation capabilities

→ Control over the resource base

→ Marketing strategies and Branding.

In effect, these sources give them enormous competitive advantage and strength by which they virtually gain monopoly power over the markets.

Firm and the Resources

Firms are said to be instruments of development where the commodification of natural resources from mines takes place. The result is products with salability and utility. Marketing strategies enable the exchange of products for profits by facilitating their access to consumers. Thus, the whole gamut of operations is essentially a physical phenomenon with complex environmental dimensions. In the present context, sustainability refers to the carrying capacity of the environment (physical) to maintain and even increase the current levels of consumption without hampering or jeopardizing the interests of the future generations in any manner. This has a very broad meaning and a catch-all concept. Its influence is all-pervading both in theory and practice. In the present paper, resources refer to the physical resources i.e., raw materials.

A firm is designed to transform the raw materials into products which have utility and salability. This is nothing but commodification of natural resources. The firms use various marketing strategies to create markets for their products through raising the awareness levels, need identification and their satisfaction among the existing and potential customers (Douglas West et al., 2007, Orville C Walker et al., 2002, David A Aaker, 2002). This has been made a continuing process through science and technology and thereby expanding the existing markets as also creating new markets for their constant growth and expansion. This can be conceptualized as below:

[Resource –base] → [S & T] → [Innovation] → [Commercialization through products] → [Marketing Strategies] → [Consumption]

This is to say that the whole production-consumption steam is essentially a physical phenomenon.

Therefore the analysis of marketing the products need to be constrained by physical laws rather than economic/financial principles. As against this background, we intend to look at marketing in its various facets. Marketing through its all-powerful advertising instrument, (Mark Tungate, 2008) makes people buy the things which they don't NEED. Our paper tries to focus on this aspect. In this context, it may be noted that the resources are finite in their known endowments and limited in their supplies

Categorization of Resources and the Marketing Strategies

Saleable products as said earlier are made out of the natural resources either directly or processed/converted into raw materials and later processed into exchangeable products. It is the firm that undertakes the whole gamut of operations involved in bringing the products to the markets. Thus the whole landscape of the production – consumption stream is essentially resource centric. In this context, resources are broadly classified into:

a) Renewable / Replenishable; and

b) Non – renewable / exhaustible / non-replenishable.

Both come mainly from land, either from above soil or below. The above category (a) is generally found to be ubiquitous and plentifully available for consumption for a particular level of population. There is no scarcity value attached to them. But, if population explodes to abnormal levels, they tend to become scarce and thereby get scarcity value which is to be added to their normal pricing practices. In this case, it is to be matched with the rate of their regeneration so that continuous resource supplies are ensured. Mismatch leads to scarcities. In the case of products made of renewable resources, the marketing strategies can be liberal if they can take care of the 'matching' problem. Since the matching problem is being taken care of, there is no question of depletion and its associated problems. There is no fear of consumerism because even their residues are not harmful to environment (easily biodegradable and absorbable). On the whole, those products do not pose any environmental hazards. Unlike other products, these products satisfy the needs of the people (Ex: food, fisheries, fuel wood etc.). Therefore there may not be any requirement for any kind of marketing tactics.

On the other hand, the products made out of non-renewable resources are prone to a number of unsurmountable problems in the areas of environment, waste disposal, depletion and pollution. As a result, there is a growing resentment among the enlightened public against the present levels of consumption of these materials. They are generally taken up as the core issues of the NGO sector. These NGO movements are essentially directed towards conspicuous consumption, wasteful use of scarce resources and so on. The major problems associated with these products are:

i) Extraction being an inseparable and integrated part of production processes, creates a number of environmental hazards such as: deforestation, soil erosion, waste disposal, land damages, displacements and many others.

ii) The modern production trends reveal that the sustainability and the carrying capacity of the environment to supply the present levels of raw materials are becoming increasingly critical.

iii) Faster rates of depletion jeopardizing the interests of the unborn posterity (Dr. N Naganna & Savitha Rani R, 2006). For instance, it has been shown empirically that the sum total extraction for the last 10 years or so are found to be more than the sum of earlier 100 years of output. This refers to a coal mining company which clearly shows that the depletion rates in recent years are indeed alarming.

iv) Residuals/waste management. As a matter of fact, the word consumptions as said earlier is a misnomer in economics or marketing. In fact, we buy a product and use it over its lifespan; and thereafter discard it and throw it into the open environment. We only use its utility streams. Hence the whole problem is one of managing the wastes or the residuals as today's production of anything becomes tomorrow's waste. Studies reveal that the waste generation from the extraction-production-consumption streams are found to be more than the capacity of the environment to receive, absorb and assimilate such wastes. The consequences are pollution of various types. The generally accepted solution to this problem lies in the 3 R's (Reduce, Reuse & Recycle and Recover). The recycling solution is also being questioned because it only alters the environmental medium to absorb wastes.

v) The extraction–production-consumption stream produces a number of toxic emission/ wastes through their routine operations. They are also highly energy-intensive. The net effect of all these activities is seen in global climatic changes of far reaching consequences.

With this brief background in view, the marketing strategies undertaken by various firms need to be examined, evaluated and appraised for their various socio-economic policy implications. The products being what they are, the corporate/public policies need to be oriented towards promoting and advocating environmentally friendly consumption patterns in society. The "how" of it, is a matter of interdisciplinary concern.**Otherwise the marketing strategies will be undertaken at their own peril.** The marketing strategies through their various techniques of advertisement, branding, promotion etc. tempt and induce people to buy the things, which generally they do not need. This leads to the perilous conspicuous consumption, which is termed as consumerism. The corporates encourage these trends for their short-term gains by overlooking the long-term ramifications on society and on themselves in particular. They sacrifice the long-term interests for their short-term gains. This can be termed as the corporate paradox, which in the long run erodes their own profits.

The marketing strategies generally assume though implicitly that the environment is a perennial and inexhaustible source of raw material supplies for their production stream. On the other hand, they also assume that the environment is a bottomless sink to receive all kinds of wastes generated by their selling processes. Infact both economics and management assume that the resources are 'given' which in reality are not given but 'taken' from a finite source. The reckless extraction for reckless consumption advocated by the corporate in essence, go against the principle of parsimonious or wise use of natural resources. The marketing strategies whatever form they take go against the basic principles of the ethics of conservation. (Dr. N Naganna & Savitha Rani R, 2007). In the ultimate analysis, the corporate impede and jeopardize the practices of sustainability in society and the environment of which they are also an integral part. The whole issue of sustainability therefore needs to enter explicitly in the formulation of marketing strategies. Their non-cognizance will make the marketing strategies to go on at their own peril.

The alarming issues of residuals/waste management and environmental sustainability need to be an integral and inseparable part of extraction-production-consumption streams. They have to get their due space in all the corporate strategies. Otherwise, the very objective of development to enhance global welfare will be defeated. This issue has been ignored till recently. It is gaining cognizance due to the increasing involvement of the NGO sector in the corporate affairs.

Marketing Strategies and the Purchase Decision

Sustainability is a new name given to the old concept of conservation. In fact they mean the same thing. The core of its advocacy centers on attacking the conspicuous and wasteful consumption of scarce non-renewable resources. Sustainability does not mean abstinence from consumption. But essentially means parsimonious or wise use of resources in place of reckless consumption as is seen today. **It has a great relevance to marketing strategies** because they lie at the very root of resource-use. Marketing strategies are ostensibly directed towards satisfying the needs of the people such that their welfare is maximized. And, in the process, the corporate earn profits. But in reality the corporate are creating new wants, desires and aspirations to sell things which are not needed. To justify this sort of divergence, they created the concepts of satisfaction, customer delight and of sorts. In the process, they are making abnormal profits. In view of these complex processes, the marketing strategies need to be judged mainly by the parameter of sustainability.

The fundamentals of marketing strategies need to be based upon the analysis of felt needs in a given society. The felt need analysis and assessment should consider the resource base in great detail – its quality, quantity, longevity and so on and also its relation to a level of population. Resource base in general is a major determinant of the quality of life for majority of the population in a given society. Whether nature is niggardly or bountiful will thus determine the quality of life. In this context, the product requirements can be arranged in an ascending order of their intensity of possessing (buying) rather than going without them. In any given society, at a given point in time the product categories and the nature of product requirements can be diagrammed in Figure 1.

They are nothing but the triggering factors or the underlying forces for the purchase decision. In their absence, marketing cannot take place. Purchase decisions refer to buy or not to buy situation for a particular product category. It is a multi-dimensional process. Several neuro-psychological, complex processes take place within a very short span of time in the mind before a purchase decision is made. In fact, it encompasses several neurological, physiological and psychological processes concerning the purchase decisions. They are highly complex because they take into account several permutations and combinations of the ordering of product requirements and the product category. In between there is problem of prioritization and its shifts between the products and need assessment. This is the reason why the concept of neuro-marketing is gaining increasing concern from the marketers in recent years (Binshan Lin, 2004)

To make the scheme of marketing phenomena complete, one can also classify the customers in a corresponding pyramid next to the earlier two. (See Figure 1c)

The three pyramids together will define the broad boundaries/contours within which the marketing and production strategies will have to operate. The whole gamut of their operations and constant shifts will have to be examined, evaluated and assessed for the social welfare in the context of resource base, environmental sustainability, demographic factors and the developmental imperatives. This is indeed a complex exercise.

By super imposing or overlaying one pyramid over the other, one can get a fuller meaning of marketing strategies aiming to inflict a number of shifts and transformations to expand the market base. Needless to say that the neurological and behavioral responses to marketing stimuli vary widely across the customer categories. A cursory glance at prevailing marketing strategies indicates that they are essentially directed towards exploiting the neurological responses among the gullible public through their marketing techniques and branding strategies. In effect, they promote consumerism against the principles of conservationism and environmental protection. In the long run, they will be counterproductive, if unchecked. They cause more damage than good to social well-being. The whole issue requires more elaborate and in-depth analysis.

At the outset it may be noted that there are no sustainability concerns for category 1 products (bottom of the pyramid viz. necessaries). Therefore, the concerns of sustainability/conservation refer to the wants, desires and aspirations and their corresponding product categories. On general grounds, it can be said that they are all based on the non-renewable resources. Hence, the problem.

Marketing strategies need to be generally shaped by judicious or optimal correspondence between the product categories and the ordering of product requirements (see Figure 1) in a broad framework of resource-base and sustainability/conservation strategy adopted by a country. This will be an ideal marketing strategy because it takes into account explicitly the constraints/limits imposed by the existing and known resource-base. Such a strategy would achieve the objectives of conservation while at the same time make normal profits for firms to survive in business. But in practice and in reality, one can observe significant deviations from the ideal strategy for the sake of short-term gains. There has to be scientific correspondence among the three pyramids as shown earlier instead of a haphazard one. It requires a rigorous scientific study.

The Marketing strategies through their various techniques and tools such as advertisement, promotions, branding etc. create wants, desires and aspirations to induce the people to buy their products. More importantly, they also try to create some kind of illusionary and false shifts from the top to bottom (see figure 1) in the sense that all the desires are made ultimately to appear to be needs. These movements are really complex processes involving several neuro-psychological factors. These conversions in the ultimate analysis promote unaffordable consumerism in the society and subsequently hampering the firm's profits for long.

The sole objective of marketing strategies as can be seen today is to make the **conversions** of aspirations into desires; desires into comforts and comforts into needs. And, subsequently their aim is to maximize their market shares and profits by selling more, more and more without any regard for resource base. This is how the purchase decisions are molded in the society. In the process, they also try to convert everyone into customers for all kinds of products. All in the name of development. All those conversions and distortions as explained are made to occur in society through the corporate power over mass media. By these conversions/shifts, the corporate are trying to expand the market base (through creating false perceptions about needs) so that they can sell more and more. Thus the present path adopted by marketing strategies is extremely hazardous to the quality of environment. Rightly, there is a growing awareness on the impeding dangers of environmental degradation in recent years among the planners, policy makers and strategists. This is the reason why the analysts have already started exploring alternative development models.

This is also reflected in the pricing of products which at present ignore the social costs resulting in underpricing. To correct this anomaly, there is an emerging concept of life cycle costing of products which take into account all the social costs (thus far ignored) from extraction stage to the product disposal stage. In effect, the prices will go up and consumption levels will go down leading ultimately too lesser burden on the environment. This is indeed a healthy sign if practiced. In the same vein, substitution of scarce materials may also take place, which will ensure sustainability. With the population explosion unchecked and with ever increasing aspirations of the growing population to make their lives materially better off, we are inclined to reach a pessimistic inference that higher prices and smaller consumption baskets are a preferred option in the interests of environment and sustainability. It is true that this goes against globalization. But, the unsustainable globalization also cannot be accepted to placate the corporates. Our hunch is that the globe is not designed to satisfy the greed of everyone but only the needs of all. It is in this context, the marketing strategies are to be evaluated and assessed for their social good.

On the whole, the sustainable marketing strategies for the sustainable globalization

will be the ones that:

(a) Will not promote consumerism or conspicuous consumption; and material & energy intensive lifestyles.

(b) Will not promote materials & energy intensive products/production patterns.

(c) Will not shorten product durability /life span.

(d) Will not encourage "use & throw" culture and that encourage "reuse".

(e) Will not use excessive and unwanted packaging.

Firm, Market and Competitive Advantage

Firms produce products of various types to satisfy the customer's needs of varying degrees of intensity. Markets are becoming highly heterogeneous and complex. The consumer has "so wide a choice" that firms' marketing strategies have become imperative at best and very complex at worst. In this context, three dominant decision variables have been identified in the formulation of marketing strategies in general. They are:

a) Firm's sales volume/output

b) Firm's Marketing efforts

c) Consumers' absorption capacity.

The following analysis of the three variables emanates from the earlier pyramid analysis

(Figure 1)

Consumers' absorption capacity to absorb a particular product or a basket of products is a function of income level, education level, urbanization level etc of a consumer. In one important sense, this refers to the market base as mentioned earlier. On general grounds, one can suspect that this cannot be infinite. It is in fact limited by the availability of disposable time, leisure, fatigue levels, inclinations etc.; besides the conventional variables like income, education etc. As a matter of fact, these variables are becoming increasingly critical in the modern era. They define the scope and magnitude of consumer absorption capacity. Besides them, there are the other imperative demands of socialization and social networking. Several of such things impinge on the disposable time and leisure of the customers. Leisure has become a critical resource. One can observe that people are making a trade off in favour "Leisure & rest" against the use of products they bought (making them useless). Residential space adds yet another dimension. All we want to say is that "income levels alone" cannot determine the consumer absorption capacity of products. Since the determinants themselves are many and complex, it is indeed a complex exercise to determine the scope and extent of the capacity to consume a large variety of products. Further, goods and services compete to attract customers to buy. On the whole, the consumer absorption capacity can be considered as a limiting factor to buy indiscriminately, though, there may be the desire, will and affordability to buy. This concept refers to all the customer segments since "time, leisure and rest" are equally critical across all segments. This is the consequence of the modern urbanized time-starved human life. That being the case, this issue will lead to two consequences viz., (a)limitless consumption may not be possible indefinitely; and (b)under-use of products implying the avoidable wastages of resources. It is taking place on a large scale. This can be mitigated to a large extent by the development of secondhand markets which enhance the durability of products and thereby reduce the burden on the environment. There appears to be no solution to the former.

It may be noted that the concept of absorption capacity does not refer to the needs and necessities but to the desires and non-need products. In fact, one can feel that the customers seem to be disgusted with the huge variety of products offered in the markets. There seems to be a lurking realization among the consuming public (at least a section of them) that marketing is too disgusting as it is encroaching upon their peaceful existence. In a sense, this is reflected in the growing environmental movements against consumerism and corporatization, in general.

In the same way, it has been observed that globalization has a tendency to increase the inequalities of income and wealth. In the ultimate analysis, the unequal distribution of incomes and wealth also tend to constrict the extent of markets in the long run because the markets will be clustered around higher income brackets. In other words, it excludes a larger segment of population from consumption stream and thus, constricting the extent of markets to a particular category of products (see the earlier pyramids). This will also have the same dampening effect as that of the absorption capacity.

The above implies that the corporates cannot go on selling in quantities that they desire due to the limitations of consumer absorption capacity. In other words, the market base itself is limited beyond which the corporate cannot expand. Thus, it defines the boundaries or the upper bound of the marketing strategies. Even the extent of competitive advantage of firms is limited by the consumer absorption capacity or market base. The above analysis however seems to be more notional and perceptual, but they do exist in reality.

The other two decision variables are self-explanatory. The firm has to formulate its marketing strategies after considering these decision variables in detail and within the broad framework of environmental carrying capacity. One can observe that there could be two limiting factors in this complex operation viz. consumer absorption capacity and environmental carrying capacity in the context of globalization. In other words, the firm needs to operate within these limits.It **cannot** push its marketing strategies beyond consumer absorption capacity and it **should not** ignore environmental carrying capacity in the process.

The interrelationships between a firms's marketing effort, sales volume/output and consumer absorption capacity is conceptualized graphically in

Figure 2:

This graphic analysis though simplistic can be adapted with suitable modifications to any level such as: product level, unit level, micro and macro levels. From the above diagram, the following broad propositions can be formulated for the sake of understanding and further empirical work. They are tendered in a frame work of the organizational growth path. This is to state that the enterprise responses through marketing strategies need to be different during different phases of growth cycle.

Proposition I: If the rate of absorption is higher than the rate of increase in marketing efforts, the sales will also be increasing more than proportionately.

During the initial stages of product/firms, the marketing efforts are likely to create the

required awareness levels in the minds of consumers regarding product requirements along with their product categories resulting in purchase decision (sales for the firms). During this growth phase, the rates of change of the variables will be higher than during the maturity stage. In this case, the sustainability or the environmental concerns will not normally become critical though the socio-economic planning should not ignore it by postponing till the threatening proportions are reached.

Proposition II: When the absorption capacity reaches an asymptotic limit and an equilibrium stage is reached where absorption capacity and sales is maximized for a given level of marketing efforts and product.

This is in fact the maturity stage. Since saturation levels of all kinds are reached in a society, the environmental and sustainability concerns come to the fore. This also gives rise to public debates.

Proposition III: Despite the increase in marketing efforts, the rate of absorption for a particular product decreases and thus imposes a constraint on market base expansion.

This is in fact an indicator of a declining stage where the benefits of marketing/ development efforts may not outweigh the costs. Environment concerns will continue.

Proposition IV: To ensure survival and growth (increase in sales) after the declining stage, the firm's emphasis needs to shift from new product development (tangible factor) to product-value improvements (intangible factors) and diversification of products and markets.

During this declining stage, it requires significant resource diversification and large scale resource substitution to achieve sustainability of resource supplies and thereby to keep the business and industry moving. With regard to the environment, there needs to be programs and projects for reclaiming the environmental quality, protection from future degradation and maintenance of the environmental quality standards.

Proposition V: The non-cognizance of the environmental dimensions in the marketing strategies will be self-defeating.

Environmental and sustainability issues need to enter explicitly into the core (not peripheral as is seen today) of the corporate strategies. Otherwise the Marketing Strategies will be undertaken at their own peril. The marketing strategies need to be reoriented in tune with the complexities arising out of environmental concerns and globalization. They need to consider explicitly the limiting factors as explained earlier. The unregulated and uncontrolled marketing efforts will make the issue of sustainability more critical. In this context, the social control through enlarged role of NGO sector seems to be necessary in today's growing consumerism. Further, we need to reconsider our belief that consumption alone can enhance social welfare keeping in view the environmental and resource constraints.

In the context of globalization, one more proposition can be put forth as below

"Globalization aiming to achieve faster rates of growth can be made compatible with sustainability only through large scale exploration projects coupled with conservationism"

Innovation is said to be the major driving force for continuous improvements in a competitive economy. In fact competition promotes innovation while the marketing strategies commercialize the outcomes of innovation into revenue-generating processes. Thus both are complementary to each other as also reinforcing each one's contribution. Both together contribute to building of sustainable competitive strength of a firm. Since competition involves continuous innovations through R&D, one may suspect that the whole gamut of linkages may make a dent on the finite resource base and subsequently making sustainability more critical. This suspicion is based on the fact that prices go down, new products come in and consumption rises. In what follows is a brief analysis on this aspect.

In this context, a distinction can be made between

a) Process innovation and

b) Product innovation

Process innovation generally refers to the ways in which the products are made through various combinations of factor inputs (mainly the input/output ratios) while the other refers to the design of products mainly the new ones to satisfy the customer's desires, and to create new markets or expanding the existing ones. That being the case, the first one is geared towards promoting and achieving mainly the environmental (resource-base) sustainability of the globe. Because it reduces material and energy intensities in the products. The second one promotes/enhances the short term competitive advantage of an organization by generating more revenues.

It is true that both process innovation and product innovation are important, but not equally. Their relative importance varies in tune with stage of development, resource availability, S&T, depletion rates etc. Both are important to the society but their relative roles vary. If the process innovation is directed towards reducing the input-output ratios or the material intensities, it is good. If it is directed towards promoting products to satisfy customer desires, it is not so good. On the basis of this distinction, it can be inferred as below:

i) **Product innovation promotes consumerism and**

ii) **Process innovation, if directed well, promotes conservationism.**

The type (i) above refers to the markets and type (ii) refers to the production systems. Keeping this in view, the marketing strategies need to make a judicious balance between product and process innovations. In essence, they need to encourage the process innovation which achieves the objective of environmental sustainability. This is in their own interest. Therefore, the focus of marketing strategies need to make a shift from the tangible dimension (physical) of innovation to the intangible dimension (non-physical) which refers mainly to the information and knowledge including the mass media and promote the sustainability values among the customers.

The primary objective of corporate strategies or the thrust of transnational business will be to make globalization compatible with sustainability. This is necessary in their own long term interest and survival. Sacrificing the long term interests for the short term gains is not good a policy. In this context, one more proposition can be made as below:

"Globalization can be made compatible with sustainability more through process innovation than product innovation."

Conversely, it can be hypothesized that if the product innovation leads to the conspicuous consumption, then it needs to be discouraged in the interest of sustainability.

Whatever may be the case, the innovation processes need to reduce that material and energy intensities in the products as also enhance their durability or the product life spans. This will ensure sustainability. Their net effect will then be the reduced stress on environment as also the waste/residuals generation will be much less. This is the only way coupled with exploration, to make globalization compatible with sustainability. This is the only way to overcome the impeding dangers of depletion and environmental degradation. And, there is no other way.

Conclusion

It is true that we need development. It is also true that the marketing strategies help developmental outcomes percolate down to the wider public. Thus development and marketing are necessary for the enhancement of the material welfare of the people. But, both need to take into account the physical limits imposed by the environmental and the endowed resource-base. Otherwise, both will be counterproductive. Globalization or the transnational business aiming to achieve faster rates of development will certainly lead to increased rates of depletion and environmental degradation. This is certain. To overcome these impending dangers and to make globalization compatible with sustainability, the only way is through the resource exploration and the process innovations. Of course, the environmental protection measures need to be kept in place.

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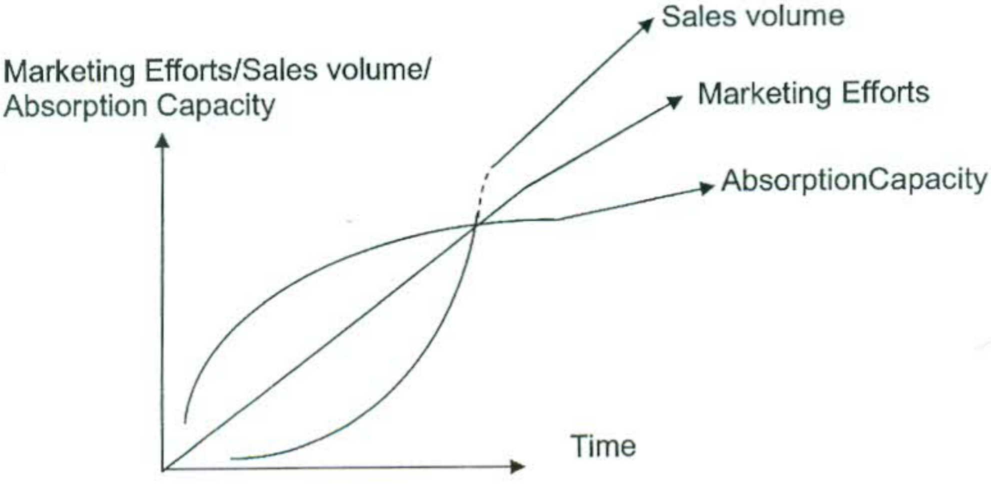
Figure 1: Correspondence between product requirements and product categories

Fig. 1a:Nature of product requirements

Figure 1b: Corresponding product categories

Fig 1c: corresponding customer categories

Fig. 2:Interface between decision variables



Source: Authors

Employee Attitude Towards Organizations Formulating and Implementing Social Media Strategies: A Case Study of Employees of Belgaum Retailers

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Abstract

Social media has emerged as a new tool for marketers to communicate their promotions. Proliferations of computing & communication devices facilitated by affordable internet services have resulted in upward growth of usage of social media by customers in recent years. This has fuelled a great interest amongst the marketers to harness the changing trend. Unlike the past where companies used to provide product/services on the basis of customer needs, today, it has become imperative to include customer in new product development and offering process. This phenomenon is called as customer engagement. Modern customer is tech savvy and is more important compared to the old. Therefore, customer relationship management becomes vital for a company than ever before to succeed in social space. The key to successful organizations in the social media domain is to involve their employees in Social CRM activities to reap higher profits. This research article aims to explore awareness of social media amongst the employees of Belgaum retailers and their attitude towards the same.

Keywords: Social media, SCRM, Customer engagement, Employee attitude.

Introduction

Emerging technologies have redefined the marketing space. They have shortened selling process and identified new platforms like online retailing, social media and many more. Explosion of mobile and computing device usage in both urban and rural India resulted in the astonishing growth of online retailing companies. Social networking sites are also not far behind. They have made inroads into rural India after having a sizeable presence in Urban India. According to Comscore, a research organization, India has the third largest internet users in the world behind China and the United States. Three fourth of total Internet users in India is below 35 years. One fourth of time spent by these netizens is with social media vehicles and another 23 percent on emails. According to Mukul Bafana, founder, Jabong.com, customers are purchasing luxury goods, staples and unique goods in the e-tailing stores. Mr. Amarjeet Batra of OLX has also voiced the same opinion. Marketers unearth the media, i.e. social media to reach their prospects and customers. This trend has attracted not only metro cities, even tier I and tier II cities. It is not the mere presence of a company on social networking sites that bring sales to the company. They have realized the importance of Social CRM (SCRM). Hence, to attract, engage and build relationship with prospects and customer's employees' contribution is must.

Literature Review

Erving Goffman, who has written a groundbreaking book on social psychology proposed that human beings control others impressions of them through performance within spatially defined social establishments (Sánchez Abril). Social media refers to "activities practices and behaviors among communities of people who gather online to share information, Knowledge and opinion using conversational media" (Safko J, Brake). The integration of social media with customer relationship is the need of hour for all the organizations (Arman 2014). With the performance of service personnel often constituting major element of service per se, the customer orientation of service personnel is regarded as main component for service firms' success (Hening Tharu). Employees' attitudes can have significant impact on the quality of customer service and can influence customers' perceptions of an organization's service quality (Czekajewski, 2003). The success of social media strategies, campaigns and customer relationship depends on the involvement of organized employees (Clayton 2013).

Many organizations asked their employees to build trust among clients, media and the public (Burrus, D 2010). Increase in the use of social media has enhanced the learning capabilities of employees (Puijenbroek, T., Poell). Senior employees in the organization who have experienced the growth of information technology and social media come handy in helping budding entrepreneurs to incorporate social media in their marketing efforts (Bakeman, Melissa Mary, Hanson, Lee, 2012). Smart employees understand the power of social media in building value managing the relationship with customers (Dan Scawbel 2009). The attitude of these employees towards organization plays a vital role in creating better enterprise even in social media era. Employees with empowerment and high job satisfaction tend to have positive attitude towards organization (Sarvar A 2011). Higher job satisfaction of employees lead to higher involvement in customer service (Mushipe 2011). Employee affective component has either positive or negative impact on customer perception of service quality (Czekajewski, 2003). Affective commitment mediates the effect of management commitment to service quality on employee perceived service quality. (He, P., Murmann, S. K., & Perdue, R. R. (2012)). Job Involvement by employee increases their participation further enhancing their attitude (Khan T.I 2011). Encouraging greater job involvement positively influencing work related behaviors of employees (Rotenberry, P. F 2007).

Employee engagement will increase productivity, profitability, turnover and safety (Beverly 2006). Effectively engaged employees will have positive attitude towards organization (Smith 2013). Perceived organizational support is considered a resource capable of positively influencing performance by reducing stressors and encouraging commitment (Byrne Zinta 2008). Employees with high perceived organization support possess better health and resulted positive attitude (Arnold Kara 2012). Employee commitments in the organization directly affect the customer loyalty (Huang 2013). The employee organizational citizenship behavior has impact on organizations having better customer loyalty (Carmen 2004). The proper employee attitude has impact on better customer engagement and further creating a model enterprise (Gonring 2008). Employees with positive attitude are helping organizations to bring customers close to the organizations using social media (Fieg 2007). Social networking with crowd sourcing technology has bought more customers into organizations due to better effort of employees (Bennet 2010).

Constructs	**Description of concept.**	**Sources**
1. Job satisfaction	Employees with empowerment and high job satisfaction tend to have positive attitude towards organization	Sarvar A 2011 Mushipe 2011
2. Job Involvement	Job Involvement by employee increase their participation further enhancing their attitude	Khan T.I 2011Rotenberry, P. F 2007
3. Psychological empowerment	Empowerment of employees increase organization commitment	Sarvar A 2011

4. Affective component	Affective commitment mediates the effect of management commitment to service quality on employee perceived service quality	He, P., Murmann, S. K., & Perdue, R. R.(2012.Czekajewski, 2003
5. Employee engagement	Employee engagement will increase productivity, profitability, turnover and safety	Beverly2006 Smitha 2013
6. Organization support	Perceivedorganizational supportis considered a resource capable of positively influencing performance by reducing stressors and encouraging commitment	Byrne Zinta 2008
7. Customer loyalty	The employee organizational citizenship behavior has impact on organizations having better customer loyalty	Carmen 2004
8. Customer engagement	The proper employee attitude has impact on better customer engagement and further creating a model enterprise value	Gonring 2008
9. Customer networking	social networking with crowd sourcing technology has bought more customer into organization due to better effort of employees	Bennet 2010

About Belgaum

Belgaum is a city and a municipal corporation in Belgaum district in the state of Karnataka, India. It is the fourth largest city in the state of Karnataka, after Bengaluru, Hubli-Dharwad, and Mysore. Belgaum is the commercial hub and divisional headquarters of North Karnataka, ranking second to Bangalore in the state in terms of overall exports (mainly related to the automotive industry). Known as the "Bread Basket /Rice Bowl" of North Karnataka. It is an important source of vegetables, fruits, meat, poultry, fish, mining production, and wood (due to heavy rainfall, rivers and the abundance of water). Belgaum is a major producer of milk in the state, almost 1/3 or 30% of the state's production, and has the highest number of sugar factories; Belgaum, home to Ugar Sugar Works in Ugar, Renuka Sugars, and other large scale sugar factories, is also known as the Sugar Bowl of Karnataka. It houses of prominent aluminum producing factory Hindalco Industries of Aditya Birla Group. Belgaum is having a foundry cluster, with about 200 foundry units producing more than 70,000 tons of automotive and industrial castings of ferrous base.

Research Methodology

Descriptive research with longitudinal studies is framed as research design. A pilot study was conducted to get the insights about the market and identify parameters. Focus group discussion was conducted to get qualitative inputs for the research. A sample frame of retailers was collected from the Belgaum Municipality. These retailers' list was cross validated on the basis of their presence on five major social networking sites namely Facebook, Twitter, YouTube, LinkedIn and Google +. We have used 10% rule (Tull & Hawkins) for determining sample size. Out of 350 retailers who have presence on social media we have selected 35 retailers for further research. Survey method is used to collect primary data. Personal interview with questionnaire instrument aided us to collect data from the market. Employees who don't access internet through any medium were not considered for the survey. This research was conducted in Belgaum city in Karnataka state, India from 1st July to 31st August 2013. A random sampling method is used to collect the data. The data collected was analyzed using chi square and Z test depending upon the type of measurement with the help of SPSS. Employee's incomplete responses are treated as missing frequencies in the research.

Results and Discussions

- **Pertaining to the hypothesis stating, Employees of organizations, having presence on Social Media have a high job satisfaction.**

It is an encouraging sign for the retailers having presence on social media to know from the research that, presence of organizations on social media results in higher job satisfaction, the reason for satisfaction can be attributed to the feeling of job security as expressed by the respondents, hence hypothesis can be accepted at 95% confidence level, the findings can be further justified by the following Test Results ***(M=3. 00, s= 1.847,) and Z (35) =. 000, p<0,*** (Refer Table 1).

- **Pertaining to the hypothesis stating, Social Media presence results in higher job involvement.**

Research finding indicates that results are in favor of retailers having presence on social media, result says social media presence results in higher job involvement as evident through their acts of posting on social media about the firm, solving customer problems, involving customer for generating new ideas (customer engagement), helping customers select products & promoting the store image and products, hence hypothesis can be accepted at 95% confidence level, the findings can be further justified by the following Test **Results** ***(M=3. 34, s= 1.734, M=3. 26, s= 1.651, M =3. 43, s= 1.754, M=3. 37, s=1. 750, M=3. 20, s=1. 812) and Z (35)*****=1. 172, .921, 1.446, 1.255, .653** ***p*****<0.5.**(Refer Table 2).

- **Pertaining to the hypothesis stating , Affective component of employees towards the organization is enhanced due to Social Media**

Result of the research is of the opinion that affective component of employees towards the organizations is enhanced due to the presence of the social media as it is evident through the feeling of security and pride as felt by the employees. Hence the hypothesis can be accepted at 95% confidence level, the findings can be further justified by the following Test Results ***M=3. 00, s= 1.847, M=2. 49, s= 1.358) and Z (35)*** =-2.240, **p<0.5**. *(Refer Table 3).*

- **Pertaining to the hypothesis stating, Perceived organization support (POS) by employer increases the contribution by employee on social media.**

Research findings reveal an interesting fact that employees of retailers having social media presence and showed their contribution in solving customer problems, promoting store and brand image on social media owing to the support given by the employer. Hence the hypothesis can be accepted at 95% confidence level, the findings can be further justified by the following Test Results, **(*M*=3. 34, *s= 1.731) and Z (35)* =-1.172, *p*<0.5.**(Refer Table 3).

- **Pertaining to the survey about organizational** support by allowing employees to post brand related information on social media. It is encouraging to know that, 54.5% of the respondents agree to it, this is a contemporary way of promoting products and services, to catch up digital era, more such measures should be in place to uplift the agreeable percentage to higher levels rom the current.

- **Pertaining to the hypothesis stating, Employee engagement results in identifying new customers.**

Research results reveal that employees have failed to find new customers in spite of their engagement with organizations having a presence on social media, research says employee engagement does not result in identifying the new customers, hence the hypothesis is rejected at the 95 % confidence level because Z test value being more than the acceptable range of 2.462 (a table value) Interpretation is justified by the following test results ***M*=3. 74, *s*=1.686*) and Z (35)* = 2.606, *p*<0.5.** (Refer Table 4).

Conclusion

The above analysis depicts that technology plays a crucial role in shaping positive attitudes among the employees. Employees who are involved in the job and having positive attitude towards organization and customer helped customer build loyalty and thus improving enterprise value. If the right psychological empowerment is provided in the organization for employee, their involvement in the job and satisfaction towards the job will escalate. It is evident from the research that, positive employee attitude creates "***word of mouth"*** communication helps prospecting and converting them into customers in future. As social media is at nascent stage in the Tier III cities like Belgaum, employee contribution may not be significant, but their involvement in retailers' social media activities is remarkable. Many retailers allowed employee to glance at their forums, blogs and social networking sites. Further they have to repose more confidence in employees for providing information about products and handling issues over social media. Employee training on social customer engagement and retention, real-time customer service and analytics needs to be provided. The informal conversations with employees reveal that many of them do not reveal their social presence. Organizations should encourage both professional and personal social media presence of employees. There is further scope for research to identify employees' attitude and its impact on enterprise value using the social media.

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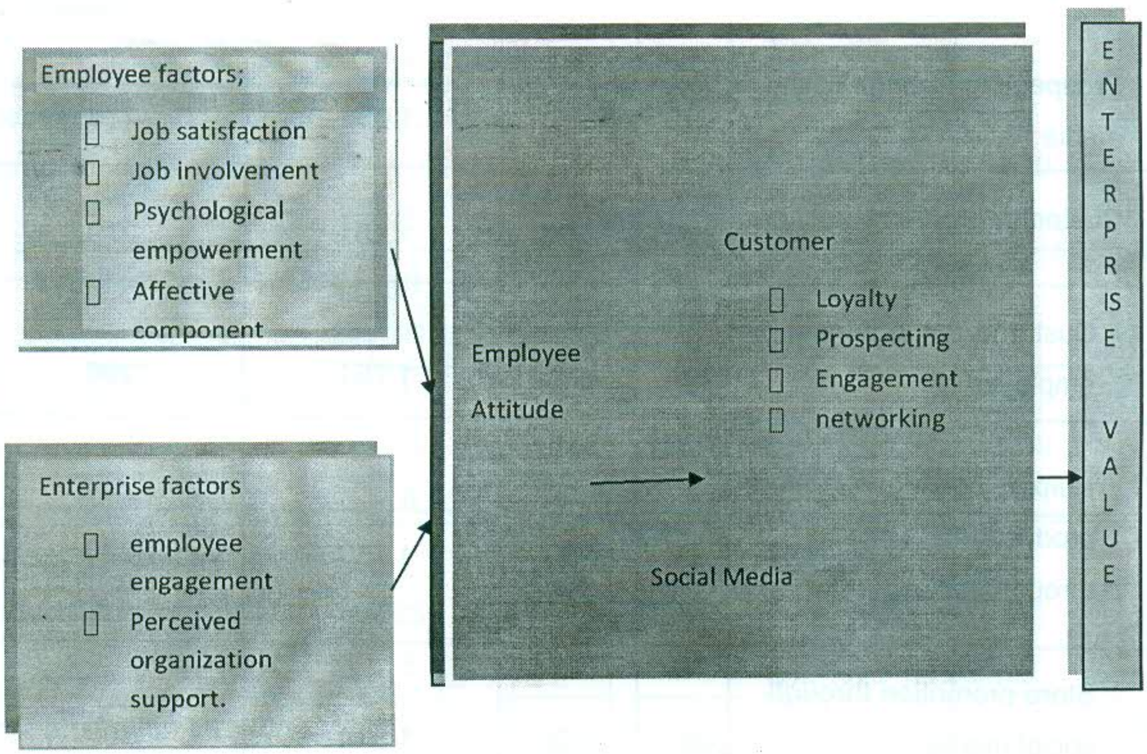
Diagram 1. Conceptual model for employee attitude towards organizations formulating and implementing"



(A model derived from the Organization Behavior text written by Stephen Robbins, Timothy. A. Judge, Seema Sanghi 12e, PHI)

Table 1. Higher job satisfaction

	N	Mean	Std. Deviation	Std. Error Mean
Posting store related information to a friend	35	3.34	1.731	.293
Prospecting through social media	35	3.74	1.686	.285
Customer problems solving	35	3.26	1.651	.279
Customer engagement by employee	35	3.43	1.754	.296
Helping consumers select products through social media	35	3.37	1.750	.296
Store promotion through social media	35	3.20	1.812	.306
Job security	35	3.00	1.847	.312

Table 2. Higher job involvement

				Test Value = 3		
					95% Confidence Interval of the Difference	
	Z	df	Sig.	Mean Difference	Lower	Upper
Posting store related information to a friend	1.172	34	.249	.343	-.25	.94
Identifying new customers through social media	2.606	34	.013	.743	.16	1.32
Customer problems solving	.921	34	.363	.257	-.31	.82
Customer engagement by employee	1.446	34	.157	.429	-.17	1.03
Helping consumers select products through social media	1.255	34	.218	.371	-.23	.97
Store promotion through social media	.653	34	.518	.200	-.42	.82
Job security	.000	34	1.000	.000	-.63	.63

Table 3. Affective component and perceived organization support

	N	Mean	Std. Deviation	Std. Error Mean
Employee's Feeling About Company Presence On Social Media	35	2.49	1.358	.230

Table 4. Identifying new customers

	Test Value = 3				
				95% Confidence Interval of the Difference	
Z	df	Sig.	Mean Difference	Lower	Upper
Employee engagement results in identifying new customers -2.240	34	.032	-.514	-.98	-.05

Corporate Social Responsibility in India: Challenge of Implementing CSR Provisions of the Companies Act, 2013

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Abstract

The Corporate Social Responsibility (CSR) is not just spelt out but given legal sanction in Section 135 of the Companies Act, 2013 followed by the notification of the Companies (Corporate Social Responsibility Policy) Rules 2014. The Act and the Rules essentially seek to operationalize the idea of CSR in the Indian industrial context. It mandates that companies must "make every endeavor" to ensure that they spend a minimum amount of 2% of the average net profits for preceding three years on socially relevant activities in terms of Schedule VII and pursuant to their CSR policy. The latest legislation is meant to be a measure to ensure that CSR obligations are more widely undertaken by companies in India and its benefits accrue to the Indian society at large.

Key words: Corporate Social Responsibility, Specified Company, CSR Committee, CSR Policy, CSR Reporting.

Introduction

The concept of Corporate Social Responsibility, or CSR as it is popularly termed, is defined as the social obligation of business towards the society and its members. CSR involves business organizations using their capabilities and strategic and financial resources to address the challenges of sustainability at social and environmental levels.Corporate social responsibility is thus a practice where large and small businesses seek to positively impact the society at large, through socially relevant and beneficial activities. In recent years there has been a global trend by businesses to be socially useful and perform duties towards the community beyond statutory obligations imposed by business and laws. There has been an emerging belief that business concern's wealth generation for profit, on one hand has to be balanced by social service on the other. It has been realized that wanton profiteering by businesses is against sustainable social and environmental development. Hence increasingly the CSR philosophy has been taking hold in the corporate sector during the last few years and more and more businesses have been setting aside a part of their profits to fulfill their Corporate Social Responsibility.

Scenario in India

The idea of Corporate Social Responsibility, or CSR, is not new to India as many large corporate houses such as Tatas, Wadias and others have been known for decades to involve in social commitments and activities positively directed towards society thereby going beyond the requirements of established laws or routine business practices. The large Indian businesses have been undertaking many socially relevant projects as part of their self-regulated obligation to society or as their Corporate Social Responsibility. However, the social and environmental problems besetting India are not only huge but almost insurmountable if left only to the Government. While the Indian Welfare State has been involved in poverty alleviation and social development through its Five-Year Planning method since 1950s, the fruits of such socio-economic planning have not percolated down to lowest strata in the society. This has been due to many reasons and factors such as rapid growth of population, slow growth of industrial sector, agro-based and rural-based economic development model and political-governmental corruption. However, the last two decades have witnessed India's rise as a global economic powerhouse with its economy at one time growing at the annual rate of 8 percent. Industrial sector has been thriving and the tertiary sector of service industry in particular, has been expanding at rapid pace. But all this growth and development of industry and economy has, on one hand caused huge environmental problems and on the other failed to provide socio-economic benefits to large sections of marginalized and poor masses. Governmental inefficiency and institutionalization of corruption has only compounded the problems.

t was in this era of India's fast paced industrial and economic growth that the questions of Corporate Social Responsibility of the businesses arose. While CSR has been practiced in India for some time, it was realized through various studies conducted during the last few years that, for most part the Indian industry and businesses were more focused on profit-making and often at the cost of its CSR activities. It was also seen that the concept of CSR was often confused with the business and personnel related activities being considered as CSR. Some companies believed that the adherence to the corporate laws and other legislations meant CSR. It was found that comparatively fewer businesses were fulfilling their Corporate Social Responsibility in the true sense of the term and even where they did, only a minuscule amount of funds or an extremely tiny share of net profits was dedicated to the CSR activities. Thus while the businesses were making huge profits, often utilizing the benefits and facilities provided by the Indian State and Society, they were doing precious little for benefiting the country and society at large. In short, they were largely shirking their real Corporate Social Responsibility and merely putting up a show of doing social obligation.

A brief look at some of the studies conducted will indicate the ground reality of spending under CSR by Indian corporate businesses. The studies carried out by an organization called *Karmayog* during last several years and publication of the annual ratings of CSR spending by Indian business majors, show that a little over 2 percent from among those surveyed for CSR have dedicated 2 percent of their profits for CSR activities. In a list of 500 companies subjected to CSR ratings in 2010 by the same rating organization *Karmayog*, just 12 companies fell into this category called as Level-4 and surprisingly among these 12 companies, fifty percent were Tata group and IT companies. Reliance companies were conspicuous by their absence in higher CSR spending bracket according to this rating survey. Other studies on CSR spending and ranking have been also conducted by the Times Foundation along with research organization called TNS India, TNS Automotive and by the Asian Governance Association. These studies do indicate that CSR by businesses and public and private corporate entities in India, though done on voluntary basis, is substantial. However, these studies have used methods like public goodwill index and other rating methods to rank India in the CSR ratings *vis a vis* other Asian countries. The conclusions arrived at are not totally reliable or complete. Therefore, a real and comprehensive picture is not available on the CSR of Indian businesses and companies.

Pertinently, while addressing business leaders in May 2010, the then Prime Minister Manmohan Singh had stated "Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy, which factors the needs of the community and the regions in which a corporate entity functions. "Probably realizing the situation, the Associated Chambers of Commerce and Industry of India had taken an initiative to organize the first sustainability summit in January 2011, to focus on the Corporate Social Responsibility of the industries and businesses in India. The issue of CSR, which has been thus far been on the back-burner and incidental, was thus brought to the fore. There have been several more attempts at making the industries and businesses in India to adopt and implement the CSR philosophy. But the greatest impetus to ushering in a greater adherence to the Corporate Social Responsibility by the industries and businesses in India came about when the Government of India decided for a new Companies legislation by way of Companies Bill 2009, followed by Companies Bill 2011 and finally Companies Bill 2012 (which ultimately became the law and came to be enacted as the Companies Act 2013) and consciously decided to incorporate provisions for CSR in the new law and make CSR mandatory and statutory for certain categories of industries and businesses in India. As usual, the legislative mode was adopted by the Government to push CSR on industries and businesses in India, no more leaving the question of CSR to the whims of arbitrary corporate policy and self-determination by each business or corporate entity.

The Government's decision to force CSR through legislation in all probability stems from its conclusion that unless compelled, most business and corporate entities are not likely to take their CSR seriously or join in the collective effort at nation-building and sustainable social and environmental development especially in an age of run-away capitalism consequent upon the unleashing of the forces of globalization, liberalization and privatization of industry and economy. Unstated criticisms and reservations apart, this Government move to enforce CSR through legal provisions has been largely accepted and welcomed by the industry, the NGOs and the civil society at large.

The Companies Act, 2013: The CSR Provisions

The Companies Bill 2012 was passed by Lok Sabha on 18th December 2012. The Rajya Sabha then passed it on 8th August 2013. The President of India gave his assent on 29th August 2013 and consequently it became the Companies Act, 2013 (Act 18 of 2013). Thereafter, the Union Ministry of Corporate Affairs (MCA) framed the Companies (Corporate Social Responsibility Policy) Rules 2014 and the draft Corporate Social Responsibility Rules issued under section 135 of the Companies Act, 2013 were first published on 8th September 2013 and were finally notified on 27th February 2014 to come into force from 1st April 2014. The Companies Act, provided for a special and exclusive provision for the CSR at Section 135 and Schedule VII relating to CSR setting out clear framework and process to implement CSR by Indian businesses and companies. India thus became the first country in the world to statutorily mandate a specific spending by companies and businesses on CSR activities.

Legal Provisions

Section 135 reads as below:

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198.

CSR Activities:-

Schedule VII of the Act.

Activities which may be included by companies in their Corporate Social Responsibility Policies be relating to:—

(i) Eradicating extreme hunger and poverty;

(ii) Promotion of education;

(iii) Promoting gender equality and empowering women;

(iv) Reducing child mortality and improving maternal health;

(v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

(vi) Ensuring environmental sustainability;

(vii) Employment enhancing vocational skills;

(viii) Social business projects;

(ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(x) Such other matters as may be prescribed.

Specified Company

The Companies Act 2013 states that every company, whether public/private/foreign company, having a net worth of 500 crore or more, or a turnover of 1000 crore or more, or a net profit of 5 crore or more is covered under Section 135 and is statutorily and mandatorily required to implement CSR as set out in the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014. Such a company is termed as a 'specified company'. Section 135 of Companies Act 2013, specifically requires that every specified company spend at least 2% of its average net profit of the immediate three preceding financial years on CSR and it must be spent on projects and programs as specified in Schedule VII of Companies Act 2013..

CSR Committee

Also the specified company is required to form a CSR Committee consisting of at least 3 Directors out of which 1 should be an independent director, to formulate the CSR policy of the company and to continually and effectively monitor the CSR activities of the company. The CSR Committee is needed to formulate corporate social responsibility policy in fulfillment of and in view of Schedule VII, and then to recommend that it be approved by the Board of Directors. The CSR Committee has to plan and propose the amount to be spent for the CSR activities and has to ensure that it is not less than 2% of average net profit of previous three years.

Net Profit

The "Net profit" mentioned at Section 135(1) means the net profit of a company as reflected in its financial statement prepared in accordance with the applicable provisions of the Companies Act. The Net Profit is not to include (i) any profit arising from any overseas branch or branches of the company and (ii) any dividend received from other companies in India. For a foreign company covered under this Act, Net profit means the net profit will be according to profit and loss statement prepared in terms of Section 381(1) (a) read with Section 198 of the Companies Act 2013.

CSR Policy

The CSR Policy as already stated is framed by the CSR Committee and approved by the Board of Directors. The CSR Policy of a company includes a Plan and a list of CSR projects or programmes as per the Schedule VII of the Act to be implemented along with the implementation schedules for completing the CSR projects and a monitoring mechanism for ensuring effective implementation of CSR projects or programmes. The Act further provides that the Board of Directors of the companies will be responsible to ensure that the company spends the mandatorily required amount on specified CSR activities in keeping with the CSR policy of the company. However it is to be noted that those activities which are undertaken in pursuance of normal course of business of a company are not to be included in the list of CSR activities. Also the CSR Policy has to state in clear terms that any surplus arises due to the CSR projects or programmes or activities will not be construed as company profits and will have to be entirely used only for further CSR activities.

CSR Reporting

The Act also requires the Reporting of the Company's CSR policy and CSR activities. The Annual Report made by the Board of Directors has to necessarily include a report on CSR activities planned and conducted by the company. The Report has to be filed providing particulars as specified in Annexure given in the Companies (Corporate Social Responsibility Policy) Rules 2014. The same mode also applies to the foreign company's annual Report of CSR activities, but is to be made in terms of sub-clause (b) of sub- section (1) of section 381 along with an Annexure.

The Challenge of Implementing CSR Provisions

While the law has been enacted and CSR has been forcefully etched on the corporate psyche, its implementation is not an easy task. Law is easier done then implemented. India has some of the finest and socially relevant laws in the world. But the implementation of the many enabling legislations is a far cry. Hence, until and unless the business and corporate entities sincerely adopt and make the CSR philosophy their own, very little impact will be felt on the social development. The CSR, instead of being a genuine endeavor, will be just one more formality to be done with. The CSR spin doctors and CSR consultants like vultures will descend upon the CSR scene with innovative proposals, not with the primary intention to benefit the society but to make the CSR itself another profit making business. This has been happening already, though to a limited extent, but now the floodgates to CSR-business and CSR-industry will open. There is a lurking danger of CSR of businesses becoming the businesses of CSR.

The moot question is how one ensures that the CSR is carried out conscientiously and without reducing it to another form of business proposition. A mere glance at the internet sites indicates that there are already many companies who have made the CSR of other companies itself their own business for profit making. Some have become very enterprising by offering the large corporates facilitation for the implementation of the CSR philosophy for a profit! But then what about their own CSR? Another moot question is whether the non-profit NGOs would be a better forum to carry out the CSR of those companies who do not have the time or the expertise to involve in CSR activities. Could better option be the creation of a National Corpus of CSR Fund managed by a non-profit National Trust represented by industry, government, civil society members and technocrats who would decide and channel the CSR funds in areas where they are really needed?

Then there are questions about CSR's relationship to the essential purpose and nature of business and questionable motives for undertaking CSR, including the fundamental concern regarding insincerity and hypocrisy, and its relation to the very Management profession and practice. For instance the fundamental question that arises is with regard to the motives for CSR by businesses, such as to distract the people and society from ethical questions posed by their core operations which may be anti-social (tobacco/liquor/gambling companies) and anti-environmental (chemical/polluting companies) or use CSR to gain positive publicity to cover-up unethical and socially/environmentally harmful practices by the businesses. The CSR thus poses a direct challenge to ethics in business.

Ultimately, the success or failure of CSR presently brought within the purview of the legal frame work of corporate law is likely to depend entirely on how each business or company is likely to sincerely pursue CSR as a true measure of welfare aimed at reaching the society at large, primarily for people's collective advantage and not simply limited to the 'stake holders' (read employees and clients) of the business or company. Furthermore there is no clarity yet on whether the profits are to be calculated on a consolidated basis or on a stand-alone basis. Thus there are many unanswered questions which need to be clarified before CSR becomes truly meaningful and socially relevant in India. Until that happens we can only take solace in the fact that CSR has been elevated to a social pedestal to which every corporate entity is expected to at least pay obeisance to.

Implementation of CSR

While within the Indian context the idea of CSR is a relatively new development, in the western capitalist economies and countries, there has been a long history of implementation of CSR. For instance, there has been much discussion about the strategies to implement CSR by the industries and businesses and there have been many publications on the subject. In a major work entitled "*Corporate Social Responsibility: An Implementation Guide for Business*" the author Paul Hohnen has suggested myriad ways on implementation of CSR. The suggestions made by him include involving the scholars and experts from the field of CSR to devise strategies for CSR. It also includes appointment of External Multi-Stakeholder CSR Expert Advisory Group, using key international CSR instruments, using Non-governmental CSR-related organizations and establishing National-level CSR guidance regime.

In the opinion of the author it is necessary to prioritize which stakeholders or members of the society to engage with, in terms of their ability to impact positively or negatively on the firm. Then devise specific CSR programs for these stakeholders and community. It also involves finding local support or partners to help translate the company's CSR into real advantage for the community around.

The involvement of NGOs to achieve social relevance is probably the most effective strategy in implementation of CSR. However, given the late arrival of the idea of CSR in India and the slow pace at which it had picked up in the corporate sector, it is likely to take more time to devise appropriate implementation strategies suitable for Indian conditions and context. Considering the socio-economic situation in India the CSR will largely have to focus on issues concerning economic poverty and social development. In such an approach not just the state intervention but the active participation of all the other stake-holders is of vital importance.

Conclusion

At the most basic level, CSR is concerned with a firm or a business viewing the society as an integral part of itself. It also means a firm or a company viewing its business as a part of the society, the wider global context and the environment which encompasses it. CSR implementation involves engagement by firms and companies with the society around not simply to keep the various stakeholders informed of its plans and activities but to achieve a level of interaction which leads to stakeholders influencing corporate decision making benefiting both the businesses and society. The implementation of CSR also involves consultation and participation by all the stakeholders which invariably includes the members of the society around and society at large. The attempt by the Government to impose CSR through legal enactment is a welcome step and must be wholeheartedly accepted by businesses and industry and more importantly implemented with true sincerity and purpose. There is, of course, a long way to go yet, but this is a welcome beginning.

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BOOK REVIEW

Timeless Leadership - 18 Leadership Sutras from the Bhagavad Gita

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Debashis Chatterjee, *Timeless Leadership-18 Leadership Sutras from the Bhagavad Gita. Wiley India Pvt. Ltd., New Delhi; Price: Rs. 385, Pages 234, ISBN: 978-81-265-3665-8*

Author's Profile

Debashis Chatterjee has taught leadership classes at Harvard University and at Indian Institute of Management (IIM) in Kolkatta, Lucknow and Kozhikode for nearly two decades. The Author of six books including Leading Consciously and Break free, Dr. Chatterjee has trained more than 10000 managers globally and has served as leadership coach to political leaders and CEOs of Major Indian organizations. Dr. Chatterjee is currently the Director of IIM Kozhikode.

Review

Exploring some of the greatest questions in human history – from the meaning of life to the nature of consciousness – the Bhagavad Gita has been a source of guidance for millions of readers around the world for over 2000 years. Timeless leadership - 18 leadership sutras from Bhagavad Gita brings the ageless lessons of this revered Hindu Spiritual text to an entirely new audience – today's business leaders.

The 18 business sutras of Bhagavad Gita have deep philosophical as well as practical implications for leaders of the third millennium. Krishna literally guides Arjuna through ABC's of leadership. Here A represents Authenticity or truth which is the core value of leaders; B stands for Being which is the raw material for becoming a leader and C for Convergence which a leader achieves between his current reality and his goal or between a problem and solution.

Following are the 18 leadership sutras

Sutra 1 narrates that Leaders of the future have to negotiate not only urgent but also the emergent - that which is not yet obvious. All wars are fought in the mind. Conflict arises when a mind is reluctant to get out of its entrenchment in a familiar way of life. At any point of time thoughts swarm across the mental space like bustling crowds in a metropolis. When the mind behaves like an unruly mob it loses its power to act wisely. The body follows through non action.

Sutra 2 tells us about Wisdom. Leaders create alternative reality. It means leaders always bring a refreshing perspective that reframes current reality. . Leader's inspiration comes from unselfish work which leads to evenness of mind. Only such leaders can harness the power of intellect. Timeless leaders know the difference between knowledge and wisdom.

Sutra 3 conveys about Karma Yoga. Krishna narrates three different faces of work, action inaction and effortless action. All of us come into this world to make a contribution based on our capabilities. By diligently performing one's obligatory actions a leader moves to the next stage of evolution at work – stage of effortless action.

Sutra 4 The author writes about how timeless leaders pursue purpose as the source of supreme power. Leadership is not a nine to five affair. It is 24/7/365 work of a lifetime. It is an evolving process that embraces the whole of life. A leader is like magnetism or gravity which works 24 hours a day without fail.

Sutra 5 speaks about leadership and the art of undoing. Leadership is associated with frantic action and dramatic results. What the leader has done tells us only half of the story, the other half consists of what the leader has undone. The most potent leaders of the world such as Gandhi or Martin Luther King Jr, were busy undoing the ignorance of past ways of life, in the form of violence entrenched in the mind or racial discrimination.

Sutra 6 This sutra highlights the fact that leaders are masters of their minds. Just as an expert learns to master his craft, leader learns to master his mind. Before he can command others, he has to know how to command his own mental forces. Krishna tells Arjuna that the only way to harness the mind is through practice and dispassion.

Sutra 7 deals with the concept that leaders are integrators. An integrated leader unites a diversity of people and processes like a thread of a necklace that holds many pearls together. Very often one is asked, are leaders born or made? The answer is leaders can be made provided they are born with some inherent qualities of head and heart such as courage, intelligence, compassion and wisdom.

Sutra 8 deals with timeless leadership and decoding the meaning of life. Krishna tells Arjuna that meaning of life can be found only when we learn to explore the ultimate source of life and our work. One of the world's best companies to work in the field of medical equipment describes its rationale for the existence in few simple words, to restore people to their whole lives. This is the real work of timeless leaders, to restore people to the wholeness of their being.

Sutra 9 The real presence of a leader is often determined by his absence. A cube of ice is dropped into a glass of water. The ice gradually melts away, cooling the water. Here form of ice is lost it functions in absentia. Similarly a leader who understands the function of royal self is capable of leading even though he is absent in form.

Sutra 10 tells us about timeless leader who leads consciously. He brings the whole consciousness of who is, to what he does. True leaders apply the discipline of silence by learning to be observers. Observation is the art of seeing without judging, naming or measuring.

Sutra 11 In this sutra the author tells that Timeless leaders have integral vision. The art of seeing through mind's eye is often described as visionary leadership. One of the virtues of timeless leadership is the ability to recognize patterns based on inadequate or insufficient data points. India's ascent from a grossly poor country to one of economic powerhouse of the world occurred when some of the best entrepreneurs recognized the new pattern of thinking.

Sutra 12 This sutra deals with the proposition that leadership is love made visible. Bill Geroge former CEO of Medtronic, now a Harvard Professor who teaches a popular course called Authentic Leadership says to his class, you have a choice between seeking the worlds esteem and being grounded in your own intrinsic desire. It is very much true that one can be truly devoted to work on sustainable basis only when one can do so from the state of love.

Sutra 13 This sutra says timeless leaders have the ability to see the invisible. He has to acquire the eye of wisdom.This teaches him the capacity of discrimination. Thomas Watson Sr, the founder of IBM once said that no leader can escape supervision. A leader understands that every member including himself is subject to scrutiny. This brings about deeper sensitivity in the leader.

Sutra 14 This sutra emphasizes on Nature's work which is synthesis of inertia, dynamism and illumination. These three processes can be seen at work in both physical and psychological universe.

Sutra 15 This sutra describes the tree of life. It represents the diverse field of manifest as well as unmanifest in life. Krishna describes the phenomenon of life as interplay of matter, energy and mind.

Sutra 16 In this sutra author talks about toxic leadership. It means leader is incompetent, rigid, intemperate, callous, corrupt, insular and evil.

Sutra 17 Here the author talks about leaders and their faith. Faith is the deepest driving force that shapes human being's values and beliefs. It is faith that shapes one's destiny. The author has quoted examples of Yudhishtir and Duryodhana who had two different kinds of faiths. Youdhishtir lived by values of purity of speech and goodness. On the other hand Duyodhana was cunning and devilish at heart. Youdhishtir visualizes a world of good based on his faith. Duryodhana's faith in evil makes see him nothing but evil.

Sutra 18 In this sutra Krishna shows how the three paths of leadership- knowledge, action and devotion become one in pursuit of perfection. The journey of perfection is our evolutionary urge to transcend the limitations of our physical and mental condition.

Conclusion

The author explores practical wisdom for timeless leaders. A leader in today's workplace often finds himself stuck on information highway and unable to make headway. Here he writes about practice of handling information overload. Leaders must solve their most persistent problem. He also narrates about core capability of leaders.Leaders must possess ability to lead the change. In times of change business as usual no longer works. Leaders succeed by merging their individual with life's purpose. The human will is a subtle and powerful force. The willpower sustains greater life when it merges with the purpose of larger environment.

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